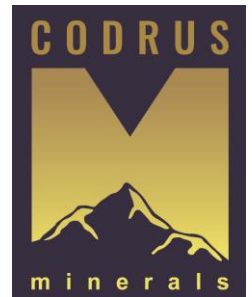


# Policy on Selection, Appointment and Rotation of External Auditors



## 1. Selection of external auditors

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- 1.1 Should there be a vacancy for the position of external auditor, Codrus Minerals Limited (**Company**), through the Board, will conduct a formal process, either general or selective, to select which audit firm will fill the vacancy.
- 1.2 Audit firms are evaluated in accordance with criteria, as appropriate from time to time, and are not assessed solely on the basis of who is cheapest, but on a number of issues such as:
  - (a) skills and knowledge of the team proposed to do the work;
  - (b) quality of work;
  - (c) independence of the audit firm;
  - (d) lead signing partner and independent review partner rotation and succession planning policy;
  - (e) value for money; and
  - (f) ethical behaviour and fair dealing.

## 2. Appointment of external auditors

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The Board identifies and recommends an appropriate external audit partner for appointment by the Board and/or the Company in general meeting. The appointment is made in writing.

## 3. Rotation of external audit partners

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The external auditor is required to rotate its audit partners so that no partner of the external auditor is in a position of responsibility in relation to the Company's accounts for a period of more than **5** consecutive years (subject to ASIC being given the power to extend the period to 7 years). Further, once rotated off the Company's accounts no partner of the external auditor may assume any responsibility in relation to the Company's accounts for a period of **3** consecutive years. This requires succession planning on the part of the external auditor, a process in which the Company is involved.