

External Auditor Policy

As at September 2009

Bannerman's independent external auditor is Ernst & Young. Ernst and Young were appointed by shareholders at the 2007 annual general meeting in accordance with the Corporations Act.

The Board Audit Committee is responsible for ensuring the rotation of the audit partner at least every five years.

The external Auditor is prohibited from the reinvolvement of a previous audit partner in the audit service for two years following rotation.

A former partner of the audit firm or member of the audit team may only be recruited into a position as a Director or senior employee of Bannerman after the expiry of at least two years.

When the appointment of an external auditor is required, such as on the resignation of the incumbent auditor; the Audit Committee calls for tenders from suitably qualified firms of auditors to undertake the audit of the Company and its subsidiaries. In the light of the report and recommendation from the Committee, the Board undertakes the process of appointing new external auditors.