



External Auditor Independence Policy

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Purpose

This policy provides guidance from the Audit, Finance and Risk Committee to Company Officers to ensure:

1. The quality and independence of the Company's External Auditors is maintained both in fact and appearance;
2. That services other than those outlined in the External Auditor's Letter of Engagement for audit are restricted and tightly controlled;
3. Appropriate rotation of External Auditor partners; and
4. Appropriate relationships between LIC and its External Auditors.

Provisions

1. The Audit, Finance and Risk Committee is responsible for oversight of LIC's external audit arrangements, makes recommendations to the Board on the appointment or removal of the External Auditor and meets regularly with the External Auditor to review the work programme, both with and without management present.
2. On recommendation by the Audit, Finance and Risk Committee, LIC's shareholders are requested to vote at the Annual Meeting to appoint/reappoint the External Auditor and authorise the Directors to fix the professional fees for the External Auditor. Any decision made by shareholders to change the External Auditor must be disclosed through NZX promptly and without delay.
3. The Audit Finance and Risk Committee may only recommend appointment of an External Auditor that:
 - Is capable of exercising objective and impartial judgment in relation to the issues within the audit engagement;
 - Is able to provide suitably qualified people to undertake the audit work; and
 - Has not within two years prior to appointment had as part of its audit engagement team any member of LIC staff that acted in a financial leadership or senior management role.
4. A key requirement of the Audit, Finance and Risk Committee is to ensure that the independence of the External Auditor is maintained.
5. The Company requires the External Auditor to attend LIC's Annual General Meeting in order to be available to respond to questions from shareholders relevant to the audit.
6. The Company expects its External Auditors and their employees to declare any personal business transactions they may have with LIC or its subsidiaries. Partners and Managers of the Auditors and their immediate families and other employees of the External Auditors, who are members of the Audit Engagement Team, are prohibited from owning shares or securities in LIC or its subsidiaries.
7. The Company requires rotation of the key Audit Partner every five years.
8. The Company restricts an Audit Partner or Audit Manager (current or previous) from being employed by the Company in another role, without the prior approval of the Chair of the Audit, Finance and Risk Committee.

9. The work of the External Auditor is limited to audit and related work and the Audit, Finance and Risk Committee is required to pre-approve all audit and related assurance services.
10. As a general rule, LIC will not contract its External Auditor to provide services other than external audit unless the provision of those services does not compromise or is seen to compromise the independence and objectivity of the audit process.

Services specifically not permitted include:

- Other assurance services
- Accounting policy advice
- Accounting or technical training
- Bookkeeping
- Design of financial information systems
- Appraisal or valuation services
- Internal audit services
- Structured finance advice
- Due diligence services
- Legal services
- Tax planning and strategy services
- Management functions
- Investment advice or dealing
- Investment banking services
- Actuarial services
- Provision of temporary staff
- Assistance in the recruitment of senior management

However, The Chair of the Audit, Finance and Risk Committee can approve (in writing) any of the non-permitted services as long as the provision of those services does not compromise the independence and objectivity of the External Auditor.

11. LIC international subsidiaries may be required to have an external audit to comply with in-country legislation or regulation. These subsidiaries may not have dedicated financial resources and therefore may be unable to prepare the required financial disclosures internally.

The Financial Statements of these subsidiaries are able to be prepared by the in-country external auditor provided the following criteria are met:

- The transactions/bookkeeping is undertaken independent of the auditors;
- The accounting policies of the subsidiary are consistent with the group accounting policies; and
- The group External Auditor has no requirement for the in-country audit to be entirely independent.

Appendix 1

Review Dates

Next Review Date	Next Approval Date	Next Authorisation Date
May 2027	June 2027	July 2027

Review Frequency

2 Yearly

Sponsor

Chief Executive

Signatures

Author: Chief Financial Officer	Approved by: Chief Executive	Authorised by: Audit, Finance & Risk Committee
Name: Brent Mealings Date: 30 June 2025	Name: David Chin Date: 7 July 2025	Name: AFRC Date: 16 July 2025

Amendment and Review History

Date	Author	Issue Status	Reason for Issue / Re-Issues
17/06/25	Nikki Fowler	V1.14	Reviewed
06/06/23	Nikki Fowler	V1.13	Reviewed
12/04/21	Nikki Fowler	V1.12	Reviewed
26/3/19	Nikki Fowler & Jane Stokes	V1.11	Regular two yearly review with changes made to reflect transition to NZX rules.

Reviewers List

Recipient	Department	Position
Brent Mealings	Support Services	Chief Financial Officer
David Chin	Executive	Chief Executive

Distribution List

Recipient	Department	Position
Sheryl Entwisle	Support Services	Risk & Assurance Manager

Nikki Fowler	Support Services	Group Financial Controller
Brent Mealings	Support Services	Chief Financial Officer
David Chin	Executive	Chief Executive

File Path

Once this Policy has been Authorised and Published it will be located as follows:

The Shed\Documents & Forms\Policies\Enterprise\POL External Auditor Independence Policy

Scope

The Charter of External Auditor Independence is to be the Company's guiding policy on External Auditors and applies to all 100% owned Subsidiaries of LIC and it should influence those Subsidiaries in which LIC holds a majority ownership.

Glossary

Term	Definition
Board	The Board of Directors of LIC
Company	LIC and its subsidiaries together or individually, as the context applies
Director	A Director of LIC, and/or a Director of its subsidiaries, as the context applies
Employee	An employee of LIC and /or its subsidiaries
External Audit	A periodic audit covering LIC's financial statements. Its objective is to determine, among other things, whether (1) the accounting records are accurate and complete, (2) prepared in accordance with generally accepted accounting practices in NZ and international financial reporting standards and (3) the statements prepared from the accounts are a fair representation of LIC's financial position.
External Auditor	The external auditor performs external audit and is independent of LIC
LIC	Livestock Improvement Corporation Ltd
Subsidiary	For the purpose of this policy, any company where LIC holds at least a 50% investment

References

- Audit, Finance and Risk Committee Charter
- Delegated Authorities Policy
- Internal Audit Plan