



Blis Technologies Limited

Auditor Independence Policy

1. BACKGROUND

1.1 Blis Technologies Limited (Blis) considers the quality of the audit opinion to be paramount. Accordingly, any compromises to auditor objectivity and independence that are considered to exist require appropriate safeguards to eliminate or reduce the risk of compromise to an acceptable level.

2. OVERVIEW OF THE BLIS TECHNOLOGY LTD POLICY

2.1 Blis has adopted the following policies in relation to auditor independence:

- (a) the Blis auditor is required to comply with relevant independence requirements promulgated by the Financial Markets Authority and other governing bodies;
- (b) the audit committee must approve the appointment of the auditor to provide any non-audit services to the company or its subsidiaries. Where such approval is required of the audit committee, the chairman of the committee is delegated to provide such approval, provided that the approval is subsequently reported to the committee. The audit committee may approve delegations to management, subject to financial limits and reporting to the committee;
- (c) the auditor is required to report to the audit committee annually on matters pertaining to their independence; and
- (d) the Blis auditor will be required to rotate their lead audit partner in accordance with accepted governance standards.

3. APPLICATION OF THE POLICY

3.1 The company's auditor independence policy is designed to ensure that by undertaking non-audit services our auditor will not:

- (a) have a mutual or conflicting interest;
- (b) audit their own work;
- (c) function as management;
- (d) act as an advocate for Blis; or
- (e) have their independence impaired or seen to be impaired.

3.2 Over a rolling 3-year annualised basis, the level of aggregate non-audit fees paid to the company's auditor would not be expected to exceed 50% of the group audit fee.

4. NON-APPROVED SERVICES

4.1 The application of this policy is expected to mean that the audit committee will not approve the use of the auditor as non-audit service providers for the:

- (a) provision of taxation advice which is, or is potentially, material to the group financial statements;
- (b) provision of M&A advice and / or due diligence services for significant acquisitions and divestments unless there are compelling advantages in using the audit firm and section 3.0 of this policy is adhered to;
- (c) provision of outsourced internal audit services;
- (d) provision of design and / or implementation services, including quality assurance services, for significant IT systems;
- (e) provision of valuation services that would have a material effect on the group financial statements;
- (f) provision of corporate secretarial, bookkeeping or payroll services;
- (g) provision of legal advocacy services.

4.2 The Blis auditor is required to report in writing to the committee annually:

- (a) all relationships that may bear on independence, including but not limited to: – the provision of non-audit services; – financial relationships; and – employment relationships;
- (b) any other matters that may reasonably be thought to have a bearing on the auditor independence; and
- (c) that the auditor is independent having regard to their firm's policies, and the New Zealand rules regarding auditor independence.

4.3 The Lead audit engagement partner, who has ultimate responsibility for the audit engagement of the consolidated group, is required to rotate every five years with a minimum cooling-off period of two years. Other key audit partners, considered to be making key decisions or judgments on matters significant to the audit, are required to rotate every seven years with a minimum cooling-off period of two years.