

Audit Independence Policy

Approved Date: 25th September 2020



POLICY STATEMENT

This policy provides guidance on the provision of external audit services by any person engaged in relation to the external audit of Blis Technologies Limited (the Company).

PURPOSE OF THIS POLICY

To ensure that Company's External Auditor carries out its function independently and without impairment, safeguarding the reliability and credibility of the Company's external financial reporting.

SCOPE AND FIT

Applies to all entities within the Blis Technologies Group of companies.

POLICY DETAIL

Engagement of the External Auditor:

To ensure audit quality and to allow for an effective audit service by qualified professionals, the Company will facilitate a high quality audit for which payment of fair commercial rates will be made.

The Board will approve the engagement and audit fee of the External Auditor.

Services Provided by External Auditor:

The External Audit firm will not be used for any purpose which could reasonably be regarded as compromising the independence of the External Auditor.

The provision of non-audit services by the External Auditor will be subject to the monitoring and approval of the Audit and Risk Committee. These services can be classified into the three following categories:

- Services that may ordinarily be performed without prior approval from the Audit and Risk Committee;
- Services that may be performed, but only with prior approval from the Audit and Risk Committee; and
- Services that are not permitted.

Provision of external audit services and non-audit services by the External Auditor shall be in accordance with Appendix 1 of this Policy.

Where a service is not specifically addressed in Appendix 1, or where a variation to this policy is sought, the Chair of the Audit and Risk Committee is to be consulted.

Responsibilities of External Auditor:

The External Auditor is required to annually confirm to the Audit and Risk Committee;

- That the External Auditor is independent, having regard to their firm's policies, and the requirements of the New Zealand External Reporting Board (XRB) regarding auditor independence have been maintained;
- Report on all relationships that may bear on independence, including but not limited to:
 - The provision of non-audit services;
 - Financial relationships;
 - Employment relationships;
 - Any other matters that may reasonably be thought to have a bearing on the External Auditors' independence.

Over a rolling three year annualised basis, the level of aggregate non-audit fees paid to the External Auditors will not exceed 50% of the Company audit fee.

The External Auditor will rotate the lead audit partner at least every five years with suitable succession planning to ensure consistency, with a mandatory five year stand down period.

Roles and Responsibilities:

The Chair of the Audit and Risk Committee and the Chief Financial Officer have overall responsibility for meeting the requirements of this policy.

The Chief Financial Officer will be responsible for:

- Facilitating the regular review of this policy;
- Reporting to the Audit and Risk Committee on any work conducted by the External Auditor.

The External Auditors will annually agree the scope of audit services and fees with the Audit and Risk Committee.

APPENDIX 1: Schedule of Services

Services	Ordinarily Performed & Approved	Permitted Subject to Prior Approval of the Chair of the Audit & Risk Committee	Not Permitted
Financial review and audit engagements			
Financial audits, both of financial statements and existing company systems and processes.	✓		
Review of interim financial statements of the Company.	✓		
Bookkeeping or other services related to the accounting records or financial statements			
Taking responsibility for the preparation of financial statements.			✗
Assistance with preparation of statutory financial statements (outside New Zealand).	✓		
Other attest services			
Audits of regulatory requirements.	✓		
Reporting engagements to third parties e.g. Bank compliance, Constant Currency reporting, Tax compliance and Research and Development review engagements.	✓		
Attendance at the Annual Shareholder Meeting.	✓		
Accounting opinions, advice or training			
Advice on appropriate accounting standards and the interpretation and application of those standards.	✓		
Providing accounting and technical training.	✓		
Financial information systems design and implementation			
Design and implementation of key financial information systems and processes.			✗
Secondments			
Secondments of junior staff.	✓		
Secondments to management positions.		✓	
Assisting in recruiting senior management.		✓	
Internal Audit			
Internal audit assistance - Assurance services under the overall direction of an Internal Audit manager or the Company's senior management.	✓		
Taking responsibility for internal audit.			✗
Taxation services			
Preparation of tax computations.			✗
Advice on the interpretation and application of Inland Revenue Department taxation policies.	✓		
Tax planning and strategy development.			✗
Taxation services of an assurance nature e.g. review of tax computations and returns prior to filing.	✓		
Legal services			
Provision of any service that can only be provided by those licensed, admitted, or otherwise qualified to practice law in the jurisdiction in which the service is provided			✗
Valuations			
Valuation of assets and liabilities other than as required to complete regulatory audit requirements.			✗
Other services			
Advice that has a significant impact on the value of a material asset or liability.		✓	
Advice on the structuring or pricing of any deal, asset or company acquisition.		✓	
Strategic business planning.		✓	
Advice on executive remuneration.		✓	