

Mount Gibson Iron Limited**Corporate Governance Policies and Practices Manual****7.1 – Policy on External Audit**

- 1.1 When the appointment of an external auditor is required, such as on the resignation of the incumbent auditor, the audit and risk 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.
- 1.2 The audit and risk committee ensures that the external audit firm rotates the engagement partner in accordance with accepted best practice (i.e. each 5 years).