



Sierra Rutile

Non-audit Services Policy

Sierra Rutile Holdings Limited

ACN 613 822 165

Adopted by the Board with effect from 27 July 2022

This policy aims to ensure the Board, the Audit and Risk Committee and Company shareholders can be satisfied that the external auditor is, and is seen to be, independent at all times.

1 Role of the Committee

The Audit and Risk Committee (**Committee**) is responsible for setting the Company's policy on the provision of non-audit services and ensuring compliance with that policy.

2 What are non-audit services?

'Non-audit services' means any services provided by the external auditor which are not included in, or are not necessarily incidental to, the terms of the external audit engagement. 'Non-audit services' do not include 'prohibited non-audit services' that are referred to in section 3 of this policy.

Audit-related services means services that are related to and complementary to an audit.

3 External auditor must not provide prohibited non-audit services

'Prohibited non-audit services' are services that, if provided by the external auditor to the Company, would create a real or perceived threat to the independence of the external auditor, or a conflict of interest situation.

As a general rule, the Company's external auditor must be independent of the Company, and the external auditor may not provide any prohibited non-audit services to the Company.

Unless the Committee decides otherwise, the external auditor is prohibited from:

- performing internal audit services;
- providing appraisal or valuation and fairness opinions;
- providing legal services;
- providing advice on deal structuring and related documentation;
- providing tax planning and strategic advice;
- providing IT systems services, including the design and implementation of finance systems;
- performing executive recruitment or extensive human resources functions;
- acting as a broker, dealer, promoter or underwriter; or
- providing corporate finance services, advice or assistance.

However, even if a non-audit service is not listed above, it will still be prohibited if it creates a real or perceived threat to the independence of the external auditor.

4 Approval of non-audit services

To ensure auditor independence is maintained, the Company requires all engagements of the external auditor to provide non-audit services to be approved in writing by the Finance Director.

In addition, the Finance Director must obtain the prior written approval of the Committee before the external auditor can be engaged to perform non-audit services where:

- the fee for the particular engagement exceeds A\$50,000; or
- the annual fees for all non-audit services exceed, or are likely to exceed, 50% of the auditor's annual audit fees; or
- the Finance Director determines the Committee consideration is warranted.

5 Factors to be considered when granting approval

In assessing a request for non-audit services, the Finance Director and the Committee (as applicable) are required to give consideration to:

- the nature, scope, purpose and extent of the proposed service;
- the dollar value and period of engagement;
- the availability of alternate service providers and the reasoning for recommending the external auditor;
- whether the outcome of the service will affect matters reflected in the financial statements on which the external auditor will express an opinion;
- the audit firm's self-assessment of its independence risk, including safeguards to mitigate perceived risks; and
- any other circumstances relevant to the engagement.

6 Monitoring and reporting

Auditor

After the close of each half and full year financial period, and prior to the release of the financial results for that period, the auditor must submit to the Finance Director and the Committee a summary of all non-audit services and audit-related services provided by it for the relevant financial period describing the services provided and the amounts charged for those services.

Committee

The Committee must, on an annual basis, consider a report about the non-audit services provided by the external auditor during the year. The report must include:

- the amounts paid or payable to the external auditor (or by another person or firm on the auditor's behalf) for non-audit services provided during the year; and
- a statement that the FD is satisfied that the provision of those services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* (Cth).

If the Committee does not agree with the assessment of the FD, this matter is to be reported to the Board.

The Committee will review this policy every second year or as otherwise considered appropriate by the Committee.