

Selection and Appointment of External Auditors and Rotation of the External Audit Engagement Partner

Service Stream

1. Responsibility for selection and appointment

The Audit & Risk Committee is responsible for the Company's relationship with its external auditor and makes recommendations to the Board in relation to the selection, appointment, re-appointment or replacement of the external auditor and the rotation of the engagement partner.

2. Selection and appointment process

The procedure for the selection and appointment of Service Stream's external auditor is based on the following framework:

- The Board is responsible for appointing the external auditor, subject to shareholder approval;
- If the role of external auditor becomes vacant, or if the Audit and Risk Committee otherwise considers it appropriate to do so, the Audit and Risk Committee will conduct a formal selective tendering process. Tenders will be evaluated in accordance with established criteria as appropriate at the time;
- The Committee shall ensure that prospective auditors are provided with sufficient information about the Company to develop an appropriate proposal and fee estimate;
- Once the review process has taken place the Audit and Risk Committee provides the Board with information concerning the process adopted in undertaking the review, the recommended external auditor and the reasons for the recommendation;
- Upon engagement, the external auditor will report to the Audit & Risk Committee, have unfettered access to management, staff, records, company facilities and will be permitted reasonable time to conduct its audit; and
- The Audit and Risk Committee will annually review the external auditor's performance and independence.

3. Rotation of External Auditor partners and staff

The External Auditor should rotate the Company's engagement and review partners at least once every five years. However, in accordance with the Corporations Act, the Directors of Service Stream Limited may resolve to extend the term of the external audit partner's term for a further one or two years, subject to having received agreement from the external audit partner's firm. Such an extension is required to be notified to the Australian Securities Investment Commission.

A previous engagement partner should not be involved in the Company audit for at least five years subsequent to their rotation.

4. Policy Review

This Policy is subject to biennial review.

