



EXTERNAL AUDIT INDEPENDENCE POLICY

1. Policy Overview and Purpose

This policy is designed to provide guidance on the provision of external audit services to ensure that auditor independence is maintained, thus ensuring Serko's reputation for reliable and credible financial reporting is protected.

For the purposes of this policy 'external audit' means the review of financial statements to confirm that they are a true and fair view of the financial position of the company and that the financial statements comply with applicable financial standards and financial legal obligations.

2. External Auditor Engagement

The Board will approve the engagement and audit fee of the external auditor.

The continued appointment of Serko's external auditors is to be confirmed annually by the Audit, Risk and Sustainability Committee.

Rotation of the key audit partner will be required in line with best practice and in any case at least every five years and three years must expire between the rotation of an audit partner and that partner's next engagement by Serko.

The external auditor will confirm to the Audit, Risk and Sustainability Committee annually that he/she and their firm are in compliance with professional standards and ethical guidelines of the New Zealand Institute of Chartered Accountants.

The external auditor will monitor their firm's independence and confirm to the Audit, Risk and Sustainability Committee bi-annually that it has remained independent during the previous six months.

3. Provision of Non-Audit Services by Serko's External Auditor

The Audit, Risk and Sustainability Committee has adopted the following guidelines to ensure that related assurance services provided by Serko's auditors are not perceived as conflicting with the independent role of the auditor.

The general principles to be applied in assessing related assurance services are as follows:

- (a) the external auditor may not have any involvement in the production of financial information or preparation of financial statements such that they might be perceived as auditing their own work. This includes the provision of valuation services where such valuation forms an input into audited financial information;
- (b) the external auditor may not perform any function of management, or be responsible for making management decisions;
- (c) the external auditor may not be responsible for the design or implementation of financial information systems; and
- (d) the separation between internal and external audit should be maintained.

Services Permitted To Be Performed

The Audit, Risk and Sustainability Committee must pre-approve the general nature of all audit and related services that are to be provided by the auditor.



Aside from core audit services (which includes statutory, regulatory and stock exchange audit requirements), it is appropriate for Serko's external auditors to provide the following services, with prior approval from the Audit, Risk and Sustainability Committee:

- (a) accounting policy advice (including opinions on compliance with New Zealand Generally Accepted Accounting Practice);
- (b) taxation compliance and advisory services;
- (c) accounting/technical training; and
- (d) other pre-approved services not listed above.

Services Not Permitted To Be Performed

It is not considered appropriate for Serko's external auditor to provide:

- (a) book-keeping or other services related to the accounting records or financial statements of Serko;
- (b) designing or implementing financial information systems, processes and controls for Serko;
- (c) providing appraisal or valuation services where the valuation will be used in the financial statements of Serko;
- (d) providing actuarial services;
- (e) involvement in Serko's internal audit programme;
- (f) performing any function of management at Serko;
- (g) staffing of temporary roles;
- (h) legal services (these are services that should only be provided by a person who is qualified in law); and
- (i) broker, dealer, corporate finance or investment banking-type services.

4. Other Procedural Requirements

While this policy does not prescribe any particular ratio of "other" service fees to audit fees, the Audit, Risk and Sustainability Committee should monitor this ratio regularly. Accordingly, the nature of services provided by Serko's external auditors and the level of fees incurred should be reported to the Audit, Risk and Sustainability Committee on a six-monthly basis to enable the Committee to perform its oversight role.

5. Who must comply with this policy?

This policy applies to Serko's operations and business activities worldwide. It applies to all persons working for us or our wholly-owned subsidiaries or on our behalf in any capacity, including employees at all levels, directors, officers, consultants, contractors, interns, secondees, external consultants, third-party representatives, agents and business partners.

6. Breaches of this policy

It is important to Serko to ensure we maintain high ethical standards, and therefore everyone working in our team plays a role in keeping Serko safe. If you think Serko could be in breach of this policy, we ask you to please speak up. It is better to be wrong, but safe, than ignore a potential breach. Remember, if you See Something, Say Something.



If you know about or suspect a breach of this policy, please reach out to the Financial Controller or Chief Financial Officer. For guidance on alternative reporting options, please refer to the [‘See Something, Say Something’](#) page on the Employee Hub and Serko’s Whistleblowing Policy.

Complying with Serko policies is a condition of employment.

7. Roles and Responsibilities

The Serko Audit, Risk and Sustainability Committee is the policy approver.

The Audit, Risk and Sustainability Committee is responsible for oversight and monitoring of this policy.

The Serko Audit, Risk and Sustainability Committee should be provided with the findings following an annual review to ensure that this policy is operating effectively with no breach instances.

The Serko Compliance Officer is the Chief Financial Officer and the owner of this policy. The Finance team are responsible for operationalising the policy through employee awareness and communications. The Finance team are responsible for providing assurance to the Audit, Risk and Sustainability Committee that the policy is being complied with.

If you have any questions or need help with this policy, you can contact the Serko Finance team.

8. Governance

Policy Owner	Chief Financial Officer
Policy Contact	Financial Controller
Policy Approver	Audit, Risk and Sustainability Committee
Review Frequency	Biennial
Version Date	May 2023