

External Auditor Policy

The role of the external auditor is critical for the integrity of the financial reporting of T&G. This Policy provides guidance on the oversight of T&G's external audit arrangements which is the responsibility of T&G's Finance, Risk and Investment Committee (FRIC). Once appointed, the auditor is automatically reappointed at T&G's annual meeting (unless determined otherwise).

The Board is authorised annually, by an ordinary resolution of shareholders, to fix the fees and expenses of the external auditor and is responsible for the retention and oversight of the external auditor, including resolving disagreements between management and the external auditor regarding financial reporting. The Board has delegated these duties to the FRIC.

Scope

This Policy is a group-wide policy and applies to T&G (the Company) and its majority-owned/controlled subsidiaries (together, T&G or the Group).

The policy covers the following areas:

- Approval of an external auditor
- External audit independence
- Services performed by the external auditor
- External auditor remuneration
- Communication with the external auditor
- External audit partner rotation
- Review of the external auditor
- Hiring of staff from the external audit firm

Purpose

The purpose of this policy is to govern the assessment and maintenance of the external auditor's independence, both in fact and appearance on an ongoing basis, such that T&G's external financial reporting is, and is viewed as being, highly reliable and credible. This policy is aligned with the recommendation of the NZX Corporate Governance Code to ensure the quality and independence of the external audit process and should be read in conjunction with the FRIC charter.

Approval of an External Auditor

The FRIC shall only recommend a firm to be the external auditor if that firm:

- Has not, in the last two years, had as a member of its audit team a person that is now employed by T&G as Chief Executive, Chief Financial Officer, or any management of T&G who acts in a financial oversight role; and
- Does not allow the direct compensation of its audit partners for selling non-audit services to T&G.
- Is a licensed auditor.

External Audit Independence

The external auditor will not undertake any work for T&G that compromises, or is seen to compromise, the independence, and objectivity of the external audit process.

The external auditor is required to:

- Always remain independent of T&G.
- Comply with the provisions of all applicable laws and relevant professional guidance concerning independence, integrity, and objectivity.
- Adopt a 'best practice' approach to matters of financial independence and business relationships.
- Confirm their continuing independent status with reference to the commitments listed above on an annual basis.

Services Performed by the External Auditor

T&G requires that all services provided by the external auditor, including the non-audit services listed in this policy, must be governed by the following principles:

- The external auditor should not have a mutual or conflicting interest with T&G.
- The external auditor should not audit its work.
- The external auditor should not function as part of the management or as an employee of the Group; and
- The external auditor should not act as an advocate of T&G.

Services permitted to be performed

The Chair of the FRIC must pre-approve all services which are to be provided by the external auditor to the Group.

Subject to the above, the external auditor may undertake the following activities that require the auditor to give an impartial view to the FRIC:

- Statutory audit function.
- Other required audit obligations in respect to reporting as a public issuer or to meet other regulatory requirements.
- Review of half-year financial statements by Review Standards issued by the External Reporting Board, or audit of half-yearly financial statements.

The external auditor can also be used for the following services, separate from its statutory audit role:

- Sustainability audits and reviews.
- Global reporting Initiative audits and reviews.
- Ballot counting at AGM.

If T&G wishes to engage the services of the majority shareholder's external auditor, approval must be obtained from that shareholder by following the approval process documented in Appendix 1.

The FRIC will meet with the external auditors at the completion of their annual examination to:

- Review the form and content of the annual financial statements.
- Review any changes that arose from the originally contemplated audit plan.
- Review the external auditor's evaluation of:
 - The fairness of the presentation of the financial statements of the financial position and operating results, including the adequacy of disclosures made by management.
 - The quality and adequacy of the record-keeping, accounting, and financial policies and procedures; and
 - The internal controls of the audited entities.

Services not permitted to be performed

Services that create a threat to external auditor independence in fact or appearance are not permitted, these include:

- Services related to maintaining financial or accounting records or preparing financial statements.
- The design of financial information systems.
- Appraisal and valuation services and opinions.
- Internal audit and Business Assurance services.
- Legal services.
- Structured finance advice.
- Due diligence services about any potential merger and acquisition.
- Tax planning and strategy services.
- Management functions.
- Regulatory assurance services.
- Broker/dealer/investment adviser/investment banking services.
- Services of an expert as an advocate.
- Actuarial services.
- Staffing or temporary roles and secondments.
- Assistance in the recruitment of senior management.
- Tax services to employees of T&G who act in a financial reporting oversight role.

These prohibitions apply to all offices of the external auditor including overseas offices and affiliates.

External Auditor Remuneration

The external auditor fee proposal will be reviewed and approved by the Chair of the FRIC in consultation with the CFO, with the negotiated remuneration to be noted at the subsequent Board Meeting.

The billing arrangements for services provided by T&G's external auditors should not include any contingent fees (for example, where a success fee is paid dependent on whether a transaction proceeds or not).

Communication with External Auditor

Representatives of the external auditor (including at least the Key Audit Partner¹) will attend each FRIC meeting to answer any questions about the external audit, and the contents of the audit report and receive status updates on action items.

External Auditor Partner Rotation

Rotation of T&G's Key Audit Partners is required at least every five years. The partners will be subject to a five-year cooling-off period following rotation. A database of Key Audit Partners is maintained by the external auditor to ensure adherence to this policy.

¹ As that term is defined in the NZX Listing Rules.

Review of the External auditor

The continued appointment of T&G's external auditor is to be confirmed annually by shareholders at the annual meeting.

The FRIC will regularly (at least annually) confirm:

- The independence of the external auditor.
- The effectiveness of the external audit.
- Other services provided by the external auditor to determine if these are appropriate.

The hiring of staff from our External Audit firm

The hiring by T&G of any former audit partner or audit manager must first be approved by the FRIC.

Review and Approval

The FRIC has reviewed and approved this Policy as per the details in the below Policy update section.

The Risk & Compliance team will regularly review this Policy and update where required, with the latest update as per the details in the below Policy update section.

Policy Updates

Date of approval	Approver	Amendments completed by	Details of changes
22 September 2022	FRIC	Bianca Verbeek & Gabriel Leong	Development of Policy

Appendix 1: Process Details

Appointment and remuneration of external auditors

The auditors for T&G Global and its subsidiaries are appointed annually by an ordinary resolution of shareholders for each company. The shareholders delegate the Board the authority for determining the remuneration and the responsibility for the retention and oversight of the external auditor, including resolving disagreements between management and the external auditor regarding financial reporting. For T&G this authority has been permanently delegated to the Chair of the FRIC in consultation with the CEO, with the negotiated remuneration to be noted at the subsequent Board Meeting.

Auditor independence

Independence is confirmed in writing via reports to the FRIC - these are issued at planning (usually in June) and final in February, as well as in the final audit report that is issued for the financial statements. The FRIC papers summarise any threats to independence the external auditor has identified and their resolution. The external auditor also confirms their independence verbally at the FRIC meetings.

Use of majority shareholders' external auditor

If T&G wishes to engage the services of the BayWa external auditor, approval must be obtained from BayWa. The approval process is documented in the accounting newsletter provided by BayWa. It is a requirement to complete the 'Appendix 6 Antragsformular – Request form Services' form.

This is only applicable if the T&G and BayWa external auditor companies are not the same e.g. BayWa has PWC and T&G has Deloitte.

Review of the external auditor

The review of the external auditor will be carried out annually by the FRIC. The FRIC will provide the Board of Directors, after consultation with management, an assessment of the external auditors' performance.

Other services provided by the external auditor

Details of any other services provided by the external auditor are captured in the 'Register of Advisers' managed by the Head of Compliance & Risk. If any additional services are provided by the external auditor these will need pre-approval by the Chair of the FRIC and presented to the FRIC for review via the financial papers.

Effectiveness of external auditor

The effectiveness of the external auditor is determined annually using the 'Evaluation of external auditor' questionnaire. The Chair of FRIC in consultation with management determines the appropriate parties to complete the questionnaire, with the results provided to FRIC for a determination to be made.

Appendix 2: Evaluation of external audit effectiveness

The questionnaire to evaluate the effectiveness of external audit can be found [here](#).