

EXTERNAL AUDITOR POLICY

AS AT SEPTEMBER 2020

1. RESPONSIBILITY

The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as per the recommendations of the Audit Committee. Any appointment made by the Board must be ratified by shareholders at the next annual general meeting of Bannerman Energy Limited ("**Bannerman**" or "**the Company**").

2. SELECTION CRITERIA

2.1 Mandatory

Candidates for the position of external auditor of the Company must be able to demonstrate complete independence from the Company and an ability to maintain independence through the engagement period.

2.1 Other Criteria

Other than the mandatory criteria mentioned above, the Board may select an external auditor based on criteria relevant to the business of the Company such as experience in the industry in which the Company operates, references, cost and any other matters deemed relevant by the Board.

3. AUDITOR

Bannerman's independent external auditor is Ernst & Young. Ernst and Young was appointed by shareholders at the 2007 annual general meeting in accordance with the Corporations Act.

The Audit Committee is responsible for ensuring the rotation of the audit partner at least every five years.

The external Auditor is prohibited from the reinvolvement of a previous audit partner in the audit service for two years following rotation.

A former partner of the audit firm or member of the audit team may only be recruited into a position as a Director or senior employee of Bannerman after the expiry of at least two years.