



Dated 23 June 2006

Selection and Appointment of External Auditors Policy

Navitas Limited
ACN 109 613 309

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(Company)

Selection and Appointment of External Auditors Policy

1. Policy

The Audit and Risk Committee ("ARC") should re-evaluate the appointment of its external auditors on a regular basis, and consider whether it is appropriate to tender the audit as it deems necessary.

Such re-evaluations should be performed no less than once every 5 years, and may be considered annually post the completion of the audit process (as part of the audit debrief process).

As a minimum, the re-evaluations and decisions to put the audit to tender (if any) will take into account such factors as:

- (1) Service delivery;
- (2) Quality of service;
- (3) Independence of the external auditor and whether the independence of the audit function has been maintained having regard to the provision of non-audit services;
- (4) Effectiveness of the audit/client relationship; and
- (5) Fees/value.

In tender situations the ARC will nominate an Audit Tender Evaluation Committee ("ATEC") to undertake the task of selecting a new Auditor. The ATEC will be comprised of the Chairman of the ARC, the CEO, the CFO and other representatives of the ARC and management as deemed appropriate.

Auditor selection will be based on the satisfactory demonstration of the factors listed above. Removal of the auditor may result if the auditor fails to demonstrate satisfactory outcomes in relation to the above factors.

Auditor appointment will be made by the Board at the ARC's recommendation after the successful completion of the selection process, and in conjunction with statutory guidelines.

Approval Schedule

Approved	23 June 2006	Board

Distribution

Navitas Website