



REFINING NZ
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NZX Announcement

11 December 2019

Refining NZ audit changes

Refining NZ the owner and operator of the Marsden Point refinery has aligned its audit policy and its external audit services with recent market guidance from the Financial Markets Authority (FMA).

The FMA handbook entitled 'Audit quality – a director's guide' was issued in November 2019 and provides best practice guidance for reporting entities on auditor selection, auditor independence and the audit process itself. In particular, the guidance highlights a requirement for directors to consider the impact of non-audit or assurance services on auditor independence and the expected public perception of these services being provided by the auditor.

The Refining NZ Board has reissued the Company's Auditor Independence policy statement (available at www.refiningnz.com) and carried out a market assessment of external audit services, which it is required to do every ten years under that policy.

After a thorough assessment process – which included consideration of the level of non-assurance services provided and the length of tenure of the current auditor – the Board has appointed Ernst & Young (EY) to provide external audit services to the Company. Consequently, the Board and the incumbent, PwC, have reached a mutual agreement that PwC resign from their current auditor role.

The Refining NZ Board acknowledges the quality and professionalism of the audit services provided by PwC over the last twenty years, and at the same time is looking forward to working with EY.

EY Managing Partner, Simon O'Connor is delighted to have been asked to become Refining NZ's new auditor and commented: "the Company is a strategic infrastructural asset for the country and it is important there continues to be a high degree of confidence in its financial reporting."

EY will stand for reappointment by all shareholders at Refining NZ's 2020 AGM, in April 2020.

ENDS

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