

Annexure C

CHOICE

55th AGM Thursday 28 November 2013, 6.00pm

Agenda item 9: Removal and appointment of auditor

Background

Lawler Partners has been the audit firm for CHOICE since February 2008 and have just completed their sixth annual audit of the Company this year.

Notwithstanding their solid work over the past six years, as part of strong governance and for the potential identification of gaps in process and policy practices, the Board decided that the audit business should be tendered 'to the market' for the next three financial years. It was further recommended that Lawler Partners be invited to participate in the process.

Process

Management prepared a shortlist of potential audit firms with a mix of smaller and larger firms who all have not-for-profit experience.

The shortlisted candidates were all invited to present a proposal to CHOICE outlining their credentials including:

- Executive Summary
- Respondent's Services
- Respondent's People and Respondent's Team
- Pricing Details
- List of Relevant References
- Appendices and Attachments

From an agreed list of criteria, including Corporate Experience and Standing, Audit Capability and Methodology, Personnel Management, Value for Money, and detailed reference checks, two firms were shortlisted by the Finance, Audit and Risk Committee to present to the committee at a meeting convened in September this year.

Firms were given half an hour to make a presentation followed by time for "questions and answers". In addition to the specific areas outlined above, firms were questioned about Enterprise-Wide Risk Assessment and their experience in dealing with digital organisations.

At the conclusion of the presentations, the Committee met to deliberate and unanimously agreed to advise the Board that the audit firm **Moore Stephens** should be recommended as the Company's auditor for the next three financial years. In addition to their professional presentation and fulfilment of the requisite criteria within the Request for Proposal, Moore Stephens' understanding of our business, their values matching ours as well as excellent professional references and extensive experience with not-for-profit clientele made **Moore Stephens** a standout candidate.

At a subsequent meeting, the CHOICE Board ratified the Committee's recommendation and the Board recommends that the Voting Members APPROVE the appointment of **Moore Stephens** as the Company's auditor at the Company's Annual General Meeting.