

**External Auditor Independence and Non-audit Services Policy
(Approved by the Audit Committee on 11 November 2021)**

Introduction

The Company’s policy aims to ensure we maintain the independence and objectivity of our External Auditor (the “**Auditor**”) as set out in the UK Corporate Governance Code, the FRC Revised Ethical Standard 2019, the Guidance on Audit Committees, CMA Order and relevant EU legislation.

The policy extends to all the worldwide subsidiaries of the Company and covers our processes and procedures relating to:

1. The rotation of the Auditor;
2. The rotation of Audit partners, lead and key;
3. The provision of non-audit services (“**NAS**”) by the Auditors;
4. Appointment of staff previously employed by the Auditor; and

Auditor Rotation

The contract for external audit services will be put out to tender at least once every ten years and a new External Auditor will be appointed at least every twenty years.

The intention to tender, where possible, will be announced in advance of the commencement of the tendering process.

Having conducted a tender and appointed a new Auditor in 2015/16, in accordance with the FRC’s guidance on transitional arrangements and the EU tender requirements, the latest point to tender will be after the **2025/2026 year end** at which point the current Auditor **could** be re-appointed for a **further 10 year term** following a competitive tender. Under the terms of the current EU legislation an Auditor cannot hold office for more than 20 years.

There are no contractual obligations restricting the Company’s choice of Auditor and the Audit Committee is free to conduct a tender exercise at any time. Should the Audit Committee approve a tender exercise the fact and the reasons for it will be disclosed to shareholders as early as is practicable.

Partner Rotation

The Auditor shall comply with the relevant UK legal, ethical and professional guidance with regard to the rotation of audit partners and other senior audit staff.

Each year, the Auditor shall confirm to the Audit Committee that all audit firm rotation requirements have been met.

Non-audit services and procedure for approval

The Company's default position is that the External Auditor should not provide any non-audit services ("**NAS**") to the business.

It is recognised however, that the Auditor will have a significant understanding of the Group's business and that this knowledge and experience can be utilised to the Group's advantage in certain areas. These are specified in Appendix 1.

1. Where NAS are allowed, fees for NAS shall not exceed 70% of the average Group statutory audit income incurred for the last three consecutive financial years (the "**70% Cap**").
2. Contingent fee arrangements are not permitted for any NAS.
3. The sourcing of all allowed NAS, where the billable fee will be up to £100k, will require the approval of the Audit Committee Chairman. If the fee is anticipated to be over £100k, approval of the full Audit Committee will be required. Management will present the rationale for requiring the Auditor to conduct the activity and the impact on the 70% Cap.
4. The level of NAS fees will be monitored by the Chief Financial Officer and the Audit Committee. This will be reported to the Audit Committee on a regular basis.

Employment of former employees of the Auditor or the Company

The Company and the Auditor agree on a restricted hiring policy:

- i. the Company will not hire partners or professional employees of the Auditor to become key management personnel who have been involved in the external audit of the Company's Half or Year End accounts within the previous two financial years, nor will it take employees of the Auditor on secondment; and
- ii. the Auditor will not hire any officers, director or employee of the Company for involvement in the Company's external audit within two years after termination of their employment with the Company.

Appendix 1

Whitelist of permissible services for UK PIEs/OEPIs

Services required by law or regulation and exempt from the non-audit services cap	Examples
Reporting required by a competent authority / regulator under law or regulation	<ul style="list-style-type: none"> • Reporting to regulator on client assets (CASS Standard) • Reports under s166 and s340 of FSMA • Reporting to regulator on regulatory financial statements • Solvency II reporting • Public reporting under reporting accountant services e.g.: <ul style="list-style-type: none"> ○ Accountant's report ○ Pro forma financial information report
For a controlled undertaking in a third country, reporting required by local law or regulation where the auditor is permitted to provide the service	<ul style="list-style-type: none"> • Certifications to tax authorities in certain countries (e.g. India, Italy, Greece, Turkey)
Reporting on internal financial controls when required by law or regulation	<ul style="list-style-type: none"> • COSO report used for Sarbanes-Oxley opinions (US SOX) • China Internal control and audit (C-SOX)
Reporting on the iXBRL tagging of financial statements	<ul style="list-style-type: none"> • New European requirement for annual financial reports
Reports, required by or supplied to competent authorities/regulators, where auditor is indicated as appropriate choice	<ul style="list-style-type: none"> • Reports provided under the rules of a competent authority or regulator e.g.: • PRA/FCA <ul style="list-style-type: none"> ○ UK listing authority ○ UK Ofgem /Ofcom

Services subject to the non-audit services cap	Examples
Reviews of interim financial information not otherwise required by law or regulation	<ul style="list-style-type: none"> • Review of interim financial information (ISRE 2410) • Quarterly reporting (principally SEC)
<p>Where not otherwise required by law or regulation, non-audit and additional services, as auditor / reporting accountant, in relation to information of the audited entity when:</p> <ul style="list-style-type: none"> • understanding of the entity relevant to service • would not compromise independence 	<ul style="list-style-type: none"> • Private reporting under Reporting Accountant services e.g.: <ul style="list-style-type: none"> ○ Working capital ○ Financial Position and Prospects Procedures ○ Profit forecast ○ SAS 72 comfort letter

	<ul style="list-style-type: none"> Assurance reports (ISAE 3402) (if over systems not subject to audit in course of statutory audit)
Extended audit / assurance work performed on financial / performance information and/or financial / operational controls, where work is closely linked with audit work	<ul style="list-style-type: none"> Assurance reports for service organisation (ISAE 3402) (if over systems audited and performed as part of the audit) Systems and Organisation Control reports – SOC1/2 reports (SSAE 18)
Additional assurance work / AUP performed on material included within or referenced from the annual report	<ul style="list-style-type: none"> Climate change / Sustainability assurance reports
Reporting on government grants / covenant or loan agreements	<ul style="list-style-type: none"> Local / regional business incentives Apprenticeship funding Loan covenant compliance reporting
Services which have been the subject of an application to the Competent Authority	<ul style="list-style-type: none"> Likely to be truly exceptional subject to dispensation by the FRC
Generic subscriptions providing factual updates of changes to applicable law, accounting and auditing standards	<ul style="list-style-type: none"> ARO