

1. Summary of Non Audit Services Policy

- 1.1.** The Auditor is permitted to provide Audit Related and Non Audit Services, subject in total for any year to an average of 70% of the total audit fees for the last three consecutive financial years commencing 1 January 2017 and subject to pre-approval by the Group Audit Committee, Group Financial Controller or Group Chief Financial Officer.
- 1.2.** The following Audit Related and Non Audit Services are permitted being closely associated with the Auditors role:
- Half Year Reviews
 - Audits of Regulatory Returns
 - Audits of Employee Benefit Plans
 - Agreed upon services closely associated with Auditors responsibility
 - Reporting on government grants
 - Other reports, certifications or examinations required by regulators or authorities
 - Comfort letters (for example over audited numbers in capital raising prospectuses)
 - Consent letters (for example for the designation of the auditor as an expert in capital raising prospectuses)
 - Reporting on working capital statements
 - Prospectus / capital markets reporting
 - Advising (including training) on accounting standards, regulatory rules, other changes in legislation and associated reporting requirements
- 1.3.** The following services are not closely associated with the Auditors role and not generally permitted by this Policy. Whilst not prohibited by UK rules on independence, the Auditor will not be considered other than in exceptional circumstances, where there is an overwhelming business rationale in the best interests of shareholders. Review and approval would be required by both the Group Audit Committee and Group Board:
- Quality assurance reviews of new finance systems
 - Implementation and quality assurance reviews of non-financial systems
 - Accounting and tax advice regarding the purchase or sale of a business or assets
 - Due diligence procedures
 - Forensic accounting investigations
 - Evaluating compliance with other regulatory or good practice requirements
 - Risk analysis and control
 - Benefits and compensation advice
- 1.4.** The following services are not permitted by the UK rules on independence or by this Policy
- Maintaining or preparing accounting records or financial statements
 - Financial information systems design and implementation
 - Any appraisal or valuation services
 - Actuarial advice involving the determination of amounts recorded in the financial statements
 - Internal audit services relating to internal accounting controls, financial systems, or financial statements
 - Acting temporarily or permanently as a director, officer or employee
 - Human resources advice on recruitment
 - Broker-dealer, investment adviser, or investment banking services
 - Legal services
 - Expert services unrelated to the audit, for example as an advocate for the Group

- Preparation of tax forms and returns
 - Advising on aggressive tax transactions
- 1.5. The Auditor may not provide any services on an individual or aggregate basis to Group Companies for a contingent fee or a commission.
- 1.6. The Auditor may not provide any services on an individual or aggregate basis to Group companies on a fee free basis in anticipation of successfully gaining future non audit work.

2. Approval, Monitoring and Reporting of Non Audit Spend

- 2.1. Before any appointment, the Group Audit Committee shall consider:
- Whether the skills and experience of the Auditor make the Auditor a suitable supplier of the non audit service
 - That suitable safeguards are in place to eliminate or reduce any threat to the objectivity or independence, whether actual or perceived, from the provision of the services
 - The nature of the Non Audit Services
 - The fees incurred, for Non Audit Services both for individual services and in aggregate, relative to the audit fee
- 2.2. The Group Audit Committee may pre-approve Non Audit Services, following submission to it of a detailed description of the services to be provided and a proposed budget. The following two categories of services cannot be pre-approved and require specific approval by the Group Audit Committee:
- Any service for which the engagement fees are in excess of £50,000; or
 - Any of the services which have no pre-approved budget or where undertaking the engagement would exceed the pre-approved budget
- 2.3. Within pre-approval limits, every engagement of the Auditor needs to be approved in advance by the Group Financial Controller (or alternately the Group Chief Financial Officer). These engagements would then be reported to and ratified by the next meeting of the Group Audit Committee.
- 2.4. If engagement requests arise and it is impractical to gain approval from the full Group Audit Committee, the Chairman of the Group Audit Committee may approve the engagements, up to a maximum of £50,000 and the Group Financial Controller may approve the engagements, up to a maximum of £20,000. These engagements would then be subject to ratification by the next meeting of the Group Audit Committee.
- 2.5. Any engagement which is subject to a potential overspend of the lower of £50,000 or 20% of the originally approved amount is required to be re-approved in accordance with the procedures set out in paragraphs 2.2 to 2.4.
- 2.6. In the case of longer term projects, where there has been a significant (>20% of the total project fee) re-phasing of the spend between years, then the assignment must be re-authorised by the Group Audit Committee.

Shareholders may request a copy of the full Non Audit Services Policy from the Company Secretary.