

GENUS PLC

NON-AUDIT SERVICES BY AUDITORS POLICY

1. Introduction

- 1.1 The EU Audit Regulation and Directive came into force in the UK on 17 June 2016, and introduced restrictions on non-audit services that can be provided by the Group's external auditor.
- 1.2 A non-audit services policy has been drafted in order to formalise approval and reporting of non-audit service engagements and fees paid to the external auditor. This policy incorporates the 'Whitelist' of permitted non-audit services outlined in the UK FRC's Revised Ethical Standard 2019 issued in December 2019 (effective for periods commencing on or after 15 March 2020).
- 1.3 The Board's policy is to manage its relationship with the Group's auditor in such a way that the independence and objectivity of the auditor is strictly maintained.
- 1.4 The Board recognises that there are situations where by reason of regulation, external public reporting requirements or their knowledge, the incumbent auditor may be in the best position to provide additional services that the Group may require.

2. Permitted non-audit services

- 2.1 Permitted non-audit services are consistent with the 'Whitelist' per the Revised Ethical Standard 2019:
- Reports, required by or supplied to competent authorities/regulators supervising the audited entity, where the authority/regulator has either specified the auditor to provide the service or identified to the entity that the auditor would be an appropriate choice for service provider.
 - Reporting required by a competent authority or regulator under UK law or regulation.
 - In the case of a controlled undertaking incorporated and based in a third country, reporting required by law or regulation in that jurisdiction where the auditor is required to undertake that engagement.
 - Reporting on internal financial controls when required by law or regulation.
 - Reporting on the iXBRL tagging of financial statements in accordance with the European Single Electronic Format for annual financial reports.
 - Services which support the entity in fulfilling an obligation required by UK law or regulation, including certain listing requirements (time critical, price sensitive, auditor understanding relevant with no compromise to independence).

- Reviews of interim financial information; and providing verification of interim profits not otherwise required by law or regulation.
- Where not otherwise required by law or regulation, non-audit and additional services, as defined in the Revised Ethical Standard provided as auditor of the entity, or as reporting accountant, in relation to information of the audited entity for which it is probable that an objective, reasonable and informed third party would conclude that the understanding of the entity obtained by the auditor is relevant to the service, and where the nature of the service would not compromise independence.
- Extended audit or assurance work that is authorised by those charged with governance performed on financial or performance information and/or financial or operational controls, in the audited entity or a third-party service provider, where this work is closely linked with the audit work.
- Reporting on government grants.
- Reporting on covenant or loan agreements which require independent verification and other reporting to third parties with whom the audited entity has a business relationship (in accordance with Appendix C of the Ethical Standard).
- Services which have been the subject of an application to the Competent Authority.
- General subscriptions providing factual updates of changes to applicable law, regulation or accounting and auditing standards.

3. **Aggregate monetary limit**

3.1 The aggregate monetary limit for non-audit services shall not exceed:

- **Individual country requirement:** the total fees for such services provided by the country audit firm shall be limited to no more than 70% of the average of the fees paid to the country audit firm in the last three consecutive financial years of the audited entity; and
- **Group requirement:** the total fees for such services provided to the Group including its controlled undertakings shall be limited to no more than 70% of the average of the fees paid in the last three consecutive financial years of the Group including its controlled undertakings.

4. **Approval of non-audit services**

4.1 All non-audit services need the pre-approval of the Group Finance Director, where the individual or aggregate annual fee does not exceed £200,000.

4.2 For services where an individual fee exceeds £200,000 or for services subsequent to the aggregate annual fee exceeding £200,000, pre-approval is required from both the Group Finance Director and Chairperson of the Audit Committee.

5. Reporting

5.1 All non-audit services will be reported to the Audit Committee at the next available meeting.

5.2 A full schedule of non-audit services as well as compliance with this 'Non-audit services by auditors policy' is reported to the Audit Committee annually.

6. Recruitment of Former Staff

6.1 No individual who has been a member of the auditor's audit team of a company within the Group may be recruited for a period of 3 years since ceasing to be such a member without the prior consent of the Chairman of the Audit Committee.

7. Review of this Policy

7.1 The Audit Committee will review the detail of this policy on an annual basis.