

## **POLICY FOR THE PROVISION OF NON-AUDIT SERVICES BY THE EXTERNAL AUDITOR**

### **1. BACKGROUND**

The Audit and Valuation Committee (the **Committee**) of Georgia Capital PLC (the **Company**) is responsible for establishing a policy for the provision of non-audit services by the Company's external auditor to the Company and its Group (the **Policy**). References to the **Group** shall mean the Company and its subsidiaries and references to the **external auditor** shall also include any member of its network.

The Committee is responsible for approving non-audit services. This Policy specifies the types of non-audit services that are strictly prohibited and those that may be acceptable. For those non-audit services that may be acceptable, the effect of such non-audit services on the financial statements as well as the independence and objectivity of the external auditor will always be assessed prior to being approved.

The Policy will be reviewed at least annually by the Audit and Valuation Committee, and its application will be monitored.

### **2. NON-AUDIT SERVICES POLICY**

- a) The Committee requires that the following Policy be adhered to when considering whether it is appropriate for the external auditor to be appointed by the Company and in particular to undertake work outside of the scope of their usual and specific annual audit and half-yearly review activities.
- b) The objective of the Policy is to:
  - at all times maintain external auditor independence and objectivity;
  - clearly set out both acceptable and prohibited non-audit services; and
  - establish a transparent process for the engagement of the external auditor for non-audit services in accordance with established approval requirements.
- c) Fees related to non-audit services will be subject to a cap of 70% of the average of the annual audit fees in the last three consecutive financial years, with the exception of those services that are required to be undertaken by law and regulation as set out in section 4.(a)(i) of this policy. Annual Audit Fees, which are subject to Committee approval, are fees for the services that the external auditor would normally be expected to provide as part of its annual external audit programme for the Group and which would, in the normal course of business, be included within its standard terms of engagement.
- d) The cap shall be based on comparing the average of three consecutive years of statutory audit fees to the non-audit fees for services in the fourth year.

### **3. PROHIBITED NON-AUDIT SERVICES**

The following non-audit services are prohibited by law from being provided to the Company and its Group and its affiliates by its external auditor, as they have the potential to impair, or appear to impair, the external auditor's independence:

- accounting or book-keeping services;
- actuarial services;
- tax advisory, assurance and compliance services (including any calculations thereof);
- internal accounting and risk management control reviews, including policy reviews and procedure compliance;
- legal and/or litigation support services (other than forensic litigation services);
- internal audit outsourcing services;
- valuation services, appraisals or fairness opinions;

- services linked to the financing, capital structure and allocation and investment strategy of the audited entity, except providing assurance services in relation to the financial statements, such as the issuing of the comfort letter in connection with prospectuses issued by the audited entity;
- investment advice, broker-dealer and investment banking services;
- design, implementation and operation of financial information or financial information IT systems;
- design and implementation of internal controls related to financial information;
- secondment (or appointment as advisor) to executive management or decision-making, supervisory or ongoing monitoring positions, or any position where the external auditor (secondee) or in its capacity as advisor) acts as a director, officer or employee of the Group or any of its decision making entities;
- human resources, recruitment, remuneration advisory or payroll services;
- the marketing or underwriting of transactions;
- advising the Remuneration Committee (other than general assistance relating to appropriate levels of disclosures and accounting advice);
- any work where a mutuality of interest is created that could compromise the independence of the external auditor; and
- any other work that is prohibited by UK ethical guidance for auditors or any local law equivalents.

Furthermore, the Company's external auditor must not perform any work for a contingent fee or similar arrangement.

#### **4. PERMITTED NON-AUDIT SERVICES**

- a) Subject to section 4.b) below, the external auditor may be permitted to conduct the following types of non-audit services, by law or regulation, which includes but is not limited to:
- i) Non-audit services outside of the 70% cap:
- client asset audits;
  - s166 Skilled Person Report;
  - reporting to the regulator on regulatory financial statements;
  - reporting on Solvency and Financial Condition Report under Solvency II;
  - reporting on internal financial controls e.g. SOX 404 reporting;
  - reporting accountant services (including comfort letters);
  - iXBRL tagging of financial statements for annual financial reports;
- ii) Non-audit services subject to the 70% cap:
- interim audit review work;
  - assurance reports for service organisations;
  - reporting on government grants;
  - assurance work on material included in the annual report;
  - creditor advisory services for syndicate banks; and
  - generic subscriptions providing factual updates of changes to applicable law, regulation or accounting and auditing standards.
- b) The determination as to whether the external auditor may perform any of the non-audit services listed in section 4.a) above, requires the application of judgement, which includes assessing:
- i) threats to independence and objectivity resulting from the provision of such services and any safeguards in place to eliminate or reduce these threats to a level where they would not compromise the external auditor's independence and objectivity;
- ii) the nature of the non-audit services;
- iii) whether the skills and experience of the audit firm make it the most suitable supplier of the non-audit service; and

- iv) the fees incurred, or to be incurred, for non-audit services both for individual services and in aggregate, relative to the audit fee.

The external auditor must notify the Committee where the audit fee might reasonably be regarded as likely to compromise perceived independence and the appropriate safeguards. The external auditor must report to the Committee with details of any actual or potential breaches of the Revised Ethical Standard of December 2019, and any actions taken by the external auditor to address any threats to independence.

## **5. AUTHORISATION AND REPORTING**

- a) Provided that the Group Chief Financial Officer has applied judgement in accordance with section 4.b) and concludes that the external auditor is best placed for the provision of a non-audit service listed in section 4.a) and there are no threats to the external auditor's independence or objectivity, the Committee has pre-approved the use of the external auditor for:
- advice and assurance on the interpretation and implementation of accounting standards, financial reporting matters and governance regulations, with a fee up to £50,000;
  - financial due diligence for acquisitions, disposals or joint ventures, with a fee up to £50,000; and
  - transaction related services, including restructuring, with a fee up to £50,000.
- b) For all other non-audit services listed in 5.a) above that are clearly trivial which also have a limit of a fee up to £4,000, provided that the Group Chief Financial Officer has applied judgement in accordance with section 4.b) and concludes that the external auditor is best placed for the provision of a non-audit service and there are no threats to the external auditor's independence or objectivity, the Committee has pre-approved the use of the external auditor.
- c) All other acceptable non-audit services not included in section 5.a) or 5.b) above, must be approved in advance by the Committee following recommendation by the Group Chief Financial Officer.
- d) Referrals to the Committee under section 5.c) above must be in writing and must contain the following:
- nature and details of the non-audit services;
  - estimated fees;
  - explanation of why the external auditor is considered the most suitable supplier; and
  - a statement on why the engagement will not impair the external auditor's independence and objectivity.
- e) A report is to be submitted by the Group Chief Financial Officer, or such other person as may be appointed by the Committee, every six months, detailing all work undertaken by the external auditor. The report should include the nature of the non-audit services provided compared to the 70% cap, the related fee and total fees in aggregate and as a percentage of the approved audit fee.
- f) The Committee will report on the annual amount paid to the external auditor in the Company's Annual Report in respect of audit services, audit-related services and non-audit services and explain how, when the external auditor provided non-audit services, its independence and objectivity was safeguarded. The Committee will also report in the Company's Annual Report on the nature and extent of the non-audit services carried out by the external auditor during the year.
- g) The Committee will report to the Board on any improvement or action required in respect of safeguarding the independence and objectivity of the auditor in providing non-audit services.

**Dated 21 March 2024**