

# Audit & Risk Committee policy regarding Non-audit Services



*(approved by the Audit & Risk Committee in October 2023)*

This policy is designed to ensure that any threats to the external auditor's objectivity are eliminated or reduced to an acceptable level in accordance with applicable guidance.

Non-audit services comprise any engagement where Man Group's external auditor provides professional services other than the audit of financial statements, or fulfils another role which legislation or regulation specify can be performed by the auditor (e.g. complying with the procedural and reporting requirements of regulators).

## **1) Non-audit services which cannot be performed by the external auditors**

- a) Tax services relating to the preparation of tax forms, payroll tax, customs duties, identification of public subsidies and tax incentives, support regarding tax inspections by tax authorities, calculation of direct or indirect tax and deferred tax, provision of tax advice;
- b) Services that involve playing any part in the management or decision-making of the audited entity;
- c) Bookkeeping and preparing accounting records and financial statements;
- d) Payroll services;
- e) Designing and implementing internal control or risk management procedures related to the preparation and/or control of financial information or designing or implementing financial information technology systems;
- f) Valuation services, including valuations performed in connection with actuarial services or litigation support services;
- g) Legal services with respect to the provision of general counsel, negotiating on behalf of the audited entity and acting in an advocacy role in the resolution of litigation;
- h) Services related to the audited entity's internal audit function;
- i) 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 comfort letters in connection with prospectuses issued by the audited entity;
- j) Promoting, dealing in, or underwriting shares in the audited entity;
- k) Human resources services relating to the recruitment of management in a position to exert significant influence over the preparation of the accounting records or financial statements of the audited entity, structuring of the organisation or cost control.

In addition, external auditors cannot be engaged with a contingent fee arrangement.

## **2) Non-audit services which can be performed by the external auditors, where appropriate safeguards in place**

The external auditor can be engaged for services as permitted by the FRC's Revised Ethical Standard subject to:

- a) Prior notification to, and approval from, the Group CFO or Group Financial Controller;
- b) Prior approval from the Audit and Risk Committee for any permitted services which have an expected value of \$75,000 or more; and
- c) Aggregate non-audit services fees must not exceed 70% of the average statutory audit fees paid in the last three consecutive financial years.

The pre-approval procedures are required to be followed for proposed services provided to the funds as well as to Man Group's corporate entities. There is a particular risk where a fund becomes consolidated as a member of the corporate group.

## **3) Overriding principle**

The Audit and Risk Committee should consider whether any service provided by the external auditor may impair their independence in fact or appearance.

4) **Disclosure requirements**

To ensure transparency around the provision of non-audit services provided by the external auditor, the following should be disclosed in the Audit and Risk Committee section of the Annual Report (or other appropriate document), in line with best practice guidance:

- a) if the external auditor provides non-audit services, the ARCom's policy for approval of non-audit services;
- b) how auditor objectivity and independence are safeguarded;
- c) the fees for the statutory audit of the Group consolidated financial statements and for other audit-related services and non-audit services paid to the auditor and its network firms, including the ratio of audit to non-audit work; and
- d) for each significant engagement, or category of engagements, an explanation of the services provided and why the Audit and Risk Committee concluded that it was in the interests of the company to purchase them from the external auditor.