

# **Policy on Auditor Independence**



## Table of Contents

1. Introduction .....	1
2. Policy Statement.....	3
3. Audit Services.....	5
4. Non-Audit Services .....	5
5. Fees for Non-Audit Services.....	6
6. Management of External Auditor .....	7
7. Employment of audit staff.....	8
8. Responsibility of the Audit Committee.....	8
9. Communication.....	8
10. Appendix.....	9-10

## **1. Introduction**

### **1.1 Purpose of the Policy**

The purpose of the Policy on Auditor Independence, incorporating the policy for the supply of non-audit services by the Group's external auditors, is to ensure the independence at all times of the external auditor of St. James's Place plc, and its subsidiaries and associates, collectively, the "Group", and to avoid any real or perceived conflict of interest. Our external auditors, and any auditors upon whose work they rely ("Our Auditors") must be independent in both fact and appearance.

### **1.2 Ownership**

The Audit Committees of the Boards of St. James's Place plc, St. James's Place UK plc ("SJPUK") and St. James's Place International plc ("SJPI") (together the "Audit Committees") are responsible for this policy. The Audit Committees will review the policy at least annually, as well as in the event of any material changes to legal or regulatory requirements.

### **1.3 Scope and application**

The policy applies to all companies within the Group and is of relevance to all divisions within the Group.

### **1.4 Effective date**

This policy is effective for the Group, SJPUK and SJPI from the date it is approved by their Audit Committee.

## **2. Policy Statement**

In order to demonstrate independence, Our Auditors are expected to have no direct or indirect financial, business, employment, or family relationships with the Group.

The Financial Reporting Council's Revised Ethical Standard (2019) (the "Ethical Standard") sets out that independence is achieved when there is "freedom from conditions and relationships which, in the context of an engagement, would compromise the integrity or objectivity of the firm or covered persons". For the avoidance of doubt the term "Our Auditors" applies to all firms and covered persons providing audit services.

This policy is intended to provide a safeguard against threats to integrity, objectivity and independence identified by the Financial Reporting Council (FRC) including the following:

- Self-interest threat – arises where the Auditor has financial or other interests meaning that they might be reluctant to take actions that could be, or could be perceived to be, adverse to the interests of the audit firm or any individual in a position to influence the conduct and outcome of the audit;
- Self-review threat – arises when the Auditor is required to review its own work;
- Management threat – arises when Audit partners or staff effectively take on a management role and their views may become closely aligned to the views and interests of the Company;
- Familiarity (or trust) threat – arises when either an audit firm or member of the audit team is predisposed to accept, or insufficiently questioning of, the point of view of the Company;
- Advocacy threat – arises when the audit firm acts as advocate for the Company and supports the position taken by the management of the Company in an adversarial or promotional context, creating either an actual or a perceived threat; and
- Intimidation threat – arises when the Auditor's conduct is influenced by fear or threats.

### **3. Audit Services**

Audit services refers to the recurring services intended to provide independent assurance in relation to the statutory accounts of the Group or one of its subsidiaries.

Our definition of Audit Services aligns with local regulations:

- In the UK, the Financial Reporting Council's ("FRC") Ethical Standard 2019; and
- In Ireland, Statutory Instrument 312/2016.

### **4. Non-Audit Services**

Those services that are not part of Audit Services are defined as Non-Audit Services. Under the Ethical Standard, Our Auditors are not able to provide non-audit services where the provision of the services would compromise their independence.

Audit related services are those non-audit services identified within the Ethical Standard that are largely carried out by the audit team and are closely aligned to the audit work, and the threats to Auditor independence are "clearly insignificant" and as a consequence safeguard do not need to be applied.

Non-audit services that are not closely aligned to the audit are defined as other non-audit services by the Ethical Standard.

The Ethical Standard (Section 5B) sets out a list of permitted non-audit services that can be provided to public interest entities (PIEs). Consistent with the requirements of the Ethical Standard these services should be approved in advance by the relevant Audit Committee, be subject to assessment to the threats to independence and ensure safeguards are considered.

A list of services required by law or regulation and therefore exempt from the non-audit services cap, relevant to the SJP Group, can be found in Appendix 1, and are excluded from the calculation of the aggregate level of fees for Non-Audit Services referred to in Section 5.

Details of services subject to the non-audit services cap, relevant to the SJP Group but not required by law or regulation, can be found in Appendix 2.

The provisions of this policy in relation to non-audit fees shall apply in a similar way to any non-UK audit firms providing services to the Group.

## 5. Fees for Non-Audit Services

All fees for the provision of Non-Audit Services should be approved by the relevant Audit Committee in advance in line with the following protocol:

- The services set out in Appendix 1 and A and B in Appendix 2 are performed regularly/annually and will therefore routinely be considered for approval in advance by the relevant Audit Committee normally at the scheduled meeting of the Committee closest to the commencement of those services;
- Where Other Services (including those set out in Appendix 2 C to H) are deemed to be clearly trivial<sup>1</sup> (defined as being fees less than or equal to £100,000 for Group and SJPUK, or £25,000 for SJPI, and meeting the regulatory criteria) approval by the Chief Financial Officer is required and Audit Committee approval is not required; otherwise these services must also be approved by the relevant Audit Committee in advance on a case by case basis;
- The level of fees for Non-Audit Services (excluding those set out in Appendix 1 which are required by National or EU legislation) in any financial year should not exceed £200,000 at Group level, or £50,000 for SJPI in aggregate<sup>2</sup>. The level set out within the policy ensures fees for non-audit services do not exceed 70% of the average audit fees incurred in the previous 3 years; and
- For the purpose of this policy when calculating the percentage of non-audit fees as compared to audit fees, we will exclude any audit fees paid to the Group auditor in relation to their audit work in relation to SJP Unit Trusts.

### Note:

<sup>1</sup> For the purposes of this policy, 'clearly trivial' services mean any service or services (individually or in aggregate) that, if judged by any quantitative or qualitative criteria, would not be deemed to compromise the integrity, objectivity or independence of our auditor. The Committee believes that no reasonable and informed person would deem the £100,000 of Non-Audit Service fees as an influence on the auditors' judgement. If there is any uncertainty about whether one or more services are 'clearly trivial', the presumption should be that the matter is not 'clearly trivial'.

<sup>2</sup> With effect from 1 January 2020, the limit for Non-Audit Services was raised to an aggregate limit of 70% of the average fees for Audit Services (for Group companies) in the last three financial years. However, the Committee has chosen to maintain the limit for Non-Audit Services at £200,000 (which is below 70%), and the limit will be reviewed annually. As noted above this cap excludes those services required by law or regulation such as CASS, SII etc.

## **6. Management of External Auditor**

**6.1 Appointment of an auditor** – A competitive tender process for the external audit will be carried out at least every ten years in accordance the relevant local regulation:

- In the UK, The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014.
- In Ireland, Statutory Instrument 312/2016.

Our Auditors will not serve for a total period exceeding twenty years. The involvement of any employee or director who has worked in a senior capacity for any of the tendering firms in the past 5 years will be subject to the approval of the relevant Audit Committee.

**6.2 Annual Review of Our Auditors** – An annual review of Our Auditors will assess the following:

- Services provided;
- Quality of service;
- Independence; and
- Management and Board Satisfaction

**6.3 Rotation of key audit partners and senior staff** – We require Our Auditors to adhere to a rotation policy that is widely accepted and provides an appropriate balance between effectiveness and efficiency, risk management, independence and credibility. We would also expect them to reflect best practice and applicable regulation. This implies a rotation of the lead audit partner after a maximum period of five years. In addition, other partners and/or senior staff are required to rotate from their position, typically after a maximum period of seven years.

**6.4 Responsibilities of Our Auditors** – Our Auditors will maintain quality control systems that provide reasonable assurance that their independence will not be impaired. They will report at least annually to the relevant Audit Committee on all aspects concerning independence, including possible conflicts with this policy, if any. They will confirm their independence in writing at least annually.

## **7. Employment of audit staff**

The Group Audit Committee has established a policy on employment of former Partners or employees of external auditors. Under this policy:

- Audit partners and other key audit personnel will not be approached in relation to potentially taking up employment with the Group when involved with the team carrying out the audit;
- Audit partners will not commence employment with the Group within two years of undertaking any role on an external audit of a Group company; and
- Other key audit team members will not be offered employment by the Group within six months of undertaking any role on an audit.

Any offer of employment to a former employee of one of the Group's audit firms, within two years of the employee leaving the audit firm, must be pre-approved by the relevant Audit Committee where the offer is made in respect of a senior executive position. Audit team members who are offered employment by the Group must cease activity on the audit immediately. Between meetings, the Chair of the Audit Committee has authority to deal with such appointments at his discretion. Any such interim approval must be ratified at the next meeting of the Audit Committee.

## **8. Responsibility of the Audit Committee**

Each year the Audit Committees will formally review the Policy on Auditor Independence as required by their respective terms of reference, document their position on the matter, and address any changes to this Policy or situation as necessary.

## **9. Communication**

St. James's Place will disclose its Policy on Auditor Independence on its website.

The Annual Report & Accounts will disclose the results of the Group Audit Committee's assessment of the effectiveness of external auditor and auditor independence, together with details of the audit and non-audit fees paid to, and the nature of the non-audit work undertaken by, its external group auditor during the reporting period.



## 10. Appendix

### Appendix 1

Permitted non-audit services required by law or regulation within the SJP Group typically include but are not limited to:

Ref	Permitted non-audit services
A	Regulatory returns – Audit of annual regulatory returns and reporting, specifically including: <ul style="list-style-type: none"> <li>• Solvency II reporting for SJP Group Companies</li> <li>• CASS reporting for SJP Group Companies</li> </ul>
B	Country-by-Country reporting required by the Capital Requirements (Country-by-Country Reporting) Regulations 2013
C	Audit of the St. James's Place International plc (Singapore Branch) Investment Linked Policy sub-funds
D	Central Bank of Ireland mandated Auditor Assurance requests

### Appendix 2

Services subject to the non-audit services cap, not required by Law or regulation within the SJP Group these typically include but are not limited to:

Ref	Services subject to the non-audit services cap
A	Review of Half Yearly Results – Review of the half-yearly consolidated financial statements of St. James's Place plc in accordance with guidance issued by the FRC.
B	Supplementary Information – Audit of Supplementary Information included with the Financial Statements, and in particular EV reporting, and reviews of financial information (Half Year and Full Year).
C	Internal Control Reviews – Reviews of internal controls related to specific operations and/or business processes including outsourced operations, general computer controls, treasury management, tax, sustainability reviews and forensic audits/investigations.
D	UK Listing Regulatory Filings – Services relating to shareholder circulars issued in accordance with the Listing Rules of the Financial Services Authority including issuance of related comfort letters.
E	Capital Market Debt Regulatory Filings – Services relating to debt offering circulars including the issuance of comfort letters customarily issued by external auditors.
F	Issuance of Comfort Letters – Issuance of comfort letters in respect of information provided to third parties including debt covenants, royalty/licence arrangements, and stock confirmation.
G	Consultation regarding Accounting Policies – Discussion and review of the impact of new accounting pronouncements and accounting for acquisitions and other one-off transactions, as well as the provision of generic subscription services.
H	Additional assurance or agreed upon procedures in relation to the SJP Unit Trusts.

## Policy on Auditor Independence

Within the 2023 FRC Revised Ethical Standard, currently subject to consultation, the following non-audit service has been amended such that it will be subject to the non-audit service cap effective on 15 December 2024. Currently within SJP this activity is completed by our staff and not by PwC.

Ref	Services subject to the non-audit services cap
A	iXBRL Reporting – Reporting on iXBRL tagging of financial statements in accordance with the European Single Electronic Format for annual financial reports.