

## Urban&Civic plc

### Policy for the provision of non-audit services

Non-audit services provided by the external auditor can, due to their size or nature, impair the independence of the auditors either on a real or perceived basis. The purpose of this policy is to ensure that the provision of non-audit services by the auditor does not impair, or is not perceived to impair, the auditor's independence or objectivity.

The auditor may be engaged to provide a non-audit service where:

1. The skills and experience of the auditor make them the most suitable supplier of the non-audit service;
2. There are safeguards in place to eliminate or reduce any threat to independence and objectivity; and
3. The fees incurred for non-audit services (in aggregate and for any individual service) would not be perceived by a reasonable and informed third party as giving rise to the loss of independence on the part of the auditors.

The Audit Committee and Management should consider the above when considering whether to engage the auditor to provide a non-audit service.

Prior approval by the Audit Committee Chairman on behalf of the Audit Committee, up to a fee limit of £50,000, is required for the engagement of the auditor for non-audit work. Any services incurring a fee of more than £50,000 require Audit Committee approval. No prior approval is required for the following:

1. Audit related services, for example, reviews of interim financial information and reporting;
2. Calculations required as part of the performance conditions of the Group's bonus and long term incentive plans;
3. Consultation on the accounting treatment or disclosure requirements of transactions or events (not including valuations of assets);
4. Actual or potential impact of proposed or final rules, standards or regulations; or
5. Any certification required under Companies Act, loan agreement or bond covenants.

The following services are not permitted to be provided by the external auditor:

1. Participation in activities normally undertaken by management, e.g. maintenance of accounting records, payroll records;
2. Any work which would require the auditor to audit its own work e.g. preparation of financial statements;
3. Any work which would involve the auditor playing any part in taking decisions on behalf of management.
4. Design and implementation of Internal audit services or risk management procedures or financial IT systems;
5. Advice to the Remuneration Committee, other than disclosure or accounting advice;
6. Work related to tax calculations on payroll matters;
7. Investment advice, including services linked to the financing, capital structure and allocation and investment strategy of the Company;
8. Valuation services;
9. HR services; or
10. Legal services.

The Audit Committee will review an up to date schedule of non-audit fees paid for the current financial year and the previous three financial years, and the audit fee for the previous three financial years at each Audit Committee meeting. The first financial year to be included in this schedule will be the year ended 30 September 2015, being the first full financial year following the Company's listing in 2014.

In accordance with its terms of reference, the Audit Committee will review annually the independence and objectivity of the auditor taking into account all relationships between the Company and the audit firm.

**Approved by the Audit Committee on 5 July 2016**