

NON-AUDIT SERVICES POLICY



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1. Policy

1.1. Scope

All Conduit Group companies are subject to this policy when commissioning non-audit services from the external auditors of the Conduit Group.

1.2. Objective

The objective of this policy is to ensure that the provision of non-audit services by the external auditors appointed by Conduit Holdings Limited and any of its subsidiary companies (together the Conduit Group) does not impair the external auditors' independence or objectivity. This policy shall be kept under review by the Audit Committee.

As the Conduit Group is not domiciled in the United Kingdom and the audit of its financial statements is performed under ethical standards applicable to the audit in Bermuda, the audit is not subject to the Financial Reporting Council's ("FRC") Revised Ethical Standard (2019). However, for the purposes of this Non-Audit Services Policy, the Audit Committee have deemed it appropriate to base its policy for non-audit services on the guidance contained within the FRC Revised Ethical Standard (2019).

This policy is intended to specify the types of non-audit services which may be provided by the external auditors of the Conduit Group:

- (i) for which the use of the external auditors is pre-approved (i.e. approval has been given in advance as a matter of policy, rather than the specific approval of an engagement being sought before it is contracted);
- (ii) for which specific approval from the Audit Committee is required before they are contacted; and
- (iii) from which the external auditors are excluded.

2. Audit related services (pre-approved as a matter of policy)

2.1.

Audit related services are those non-audit services specified as such in the FRC's Revised Ethical Standard (2019) for Auditors. The use of the external auditors may be considered as pre-approved as a matter of policy by the Audit Committee where the threat posed to auditor independence by the external auditors carrying out the service is considered low, and where the service in question does not fall within the category of excluded services listed in Section 5 of this policy. For example, if the engagement is routine in nature and the fee is not significant in the context of the audit fee.

2.2.

Audit related services include:

- (i) Reporting required by law or by regulation to be provided to the auditor;
- (ii) Reviews of interim financial information;
- (iii) Reporting on regulatory returns;
- (iv) Reporting to a regulator on client assets;
- (v) Reporting on government grants;
- (vi) Reporting on internal financial controls when required by law or regulation; and

- (vii) Extended audit work that is authorised by those charged with governance performed on financial information and/or financial controls where this work is integrated with the audit work and is performed on the same principal terms and conditions.

2.3.

Audit related services provided to public interest entities, other than those required by national legislation, are subject to a service fee cap (see Section 4 of this policy) and require approval by the Audit Committee.

3. Permitted non-audit services (specific Audit Committee approval required for public interest entities)

3.1.

Permitted non-audit services include:

- i. Permitted non-audit services required by law or regulation, where the external auditors are considered an appropriate provider of services, and which are exempt from the non-audit services cap. These include:
 - a. Reporting required by a competent authority or regulator under law or regulation, for example: Reporting to a regulator on client assets
- ii. Reporting required in a jurisdiction where the external auditors are permitted to undertake the engagement;
- iii. Reporting on internal financial controls when required by law or regulation;
- iv. Reporting on the iXBRL tagging of financial statements in accordance with the European Single Electronic Format for annual financial reports;
- v. Reports where the authority/regulator has either specified the external auditors to provide the service or identified the external auditors as an appropriate choice for service provider; and
- vi. Provision of time critical, price sensitive services required by law or regulation where the provision of the services, due to their nature, would not compromise the external auditors' independence.

3.2.

Services not otherwise required by law or regulation and which are subject to a service fee cap (see Section 4 of this policy). These include:

- i. Reviews of interim financial information;
- ii. Services where the external auditors', or reporting accountants', understanding of the Conduit Group entity concerned is relevant and the nature of the service would not compromise their independence;
- iii. Extended audit or assurance work in an entity relevant to the audit engagement or a third-party service provider, where the work is closely linked to the audit engagement;
- iv. Additional assurance work or agreed upon procedures on material included within or referenced in the annual report of an entity relevant to the audit engagement;
- v. Reporting on government grants;

- vi. Services which have been the subject of an application to the Competent Authority in accordance with Regulation 79 of the Statutory Auditors and Third Country Auditors (Amendment) (EU Exit) Regulations 2019;
- vii. Reporting on covenant or loan agreements that require independent verification; and
- viii. Subscription services providing factual updates of changes to applicable law, regulation, accounting or auditing standards.

4. Service Fee Cap

4.1.

Services provided to public interest entities and not otherwise required by law and regulation are subject to a service fee cap. In this regard, see Sections 2.2(i) and 3.1(i) of this policy. The total fees for these services is limited to no more than 70% of the average audit fees paid to the external auditors over the previous three years. This service fee cap has been voluntarily applied to Conduit Holdings Limited.

5. Approval

5.1.

The approval of the Audit Committee must be obtained before the external auditor is engaged to provide any permitted non-audit services. However, in exceptional circumstances where approval needs to be obtained between Audit Committee meetings the Audit Committee Chair must be consulted and any approval ratified at the subsequent Audit Committee meeting). Any approval sought must include provision of written evidence of the justification that the external auditors are the most appropriate supplier.

6. Excluded Services

6.1.

The external auditors will not provide any of the following non-audit services to the Conduit Group:

- (i) **Accounting Services.** The external auditors are prohibited from maintaining or preparing the Conduit Group's accounting records, preparing the financial statements or the information that forms the basis of the financial statements and preparing or originating source data underlying the Conduit Group's financial statements.
- (ii) **Information Technology Services.** The external auditors are prohibited from designing, providing or implementing information technology systems. This rule does not preclude the external auditors from working on hardware or software systems that are unrelated to the Conduit Group's financial statements or accounting records.
- (iii) **Valuation Services.** The external auditors are prohibited from providing a valuation service in which the external auditors make assumptions and apply appropriate methodologies and techniques to compute a valuation for an asset, liability or business as a whole.
- (iv) **Actuarial Valuation Services.** The external auditors are prohibited from providing any actuarial-oriented advisory service involving the determination of amounts recorded in

the financial statements and related accounts for the Conduit Group. This prohibition does not preclude the external auditors from performing work to understand the methods, models, assumptions and inputs used in computing the actuarial reserves during the audit and making recommendations for improvements to the Conduit Group's internal controls.

- (v) **Tax Services.** The external auditors are prohibited from providing tax advice, promoting tax structures or products, performing tax services to prepare current or deferred tax calculations or acting on behalf of the Conduit Group in dealings with tax authorities.
- (vi) **Legal Services.** The external auditors are prohibited from providing legal services that would involve acting as the General Counsel or representing the Conduit Group in the resolution of a dispute or litigation.
- (vii) **Recruitment and Remuneration Services.** The external auditors are prohibited from providing recruitment services or advising on the appointment of any director or employee. The external auditors are also prohibited from providing advice on the remuneration package, or measurement criteria on which the remuneration is calculated, for any director or employee.
- (viii) **Restructuring Services.** The external auditors are prohibited from providing restructuring services where the external auditors undertake a management role or act as advocates on behalf of the Conduit Group on material restructuring matters.
- (ix) **Internal Audit Services.** The external auditors are prohibited from providing internal audit services relating to the internal accounting controls, financial systems or financial statements of the Conduit Group. This prohibition does not preclude the external auditors from providing attest services related to internal controls and the operation of the internal audit function, evaluating the Conduit Group's internal controls during the audit or making recommendations for improvements to the controls, or management from engaging the external auditors to perform "agreed-upon procedures" engagements related to the Conduit Group's internal controls.
- (x) **Management Function Services.** This rule prohibits the external auditors from acting, temporarily or permanently, as a director, officer or employee of the Conduit Group or performing any decision making, supervisory or monitoring function for the Conduit Group. However, the external auditors may assess the effectiveness of the Conduit Group's internal controls and recommend improvements in the design and implementation of internal controls and risk management controls.
- (xi) **Corporate Finance and Transaction Related Services.** The external auditors are prohibited from dealing in, underwriting or promoting shares, making investment decisions on behalf of the Conduit Group or otherwise having discretionary authority over the Conduit Group's investments, or executing a transaction to buy or sell an investment of the Conduit Group, or having custody of assets of the Conduit Group.
- (xii) **Litigation Support Services.** This precludes engagements that are intended to result in the external auditors providing litigation support services involving the estimation of the likely outcome of a pending legal matter, expert opinions, specialised knowledge, experience and expertise for the purpose of advocating the Conduit Group's interests in litigation, regulatory or administrative investigations or adversarial proceedings. This rule does not preclude the Conduit Group from engaging the external auditors to perform internal investigations or fact-finding engagements including forensic work and using the results of this work in subsequently initiated proceedings or investigations.
- (xiii) Any other service that the Audit Committee determines is impermissible.

6.2.

The external auditors may provide the non-audit services listed above if all of the following criteria are met:

- (i) the Audit Committee considers that there are exceptional circumstances which may make the provision of such services permissible;
- (ii) the external auditors generate information that is not significant to the financial statements taken as a whole or does not require a significant degree of subjective judgement;
- (iii) it is reasonable to conclude that the results of these services will not be subject to audit procedures during the audit of Conduit Holdings Limited and its subsidiaries' financial statements; and
- (iv) the work will be performed by partners and staff having no involvement in the audit engagement.

6.3.

The external auditors may provide the non-audit services listed above if they are designated by legislation or regulation as being required to carry out the non-audit services.

6.4.

The external auditors should not provide any non-audit services to any member company of the Conduit Group where to do so would be in breach of their own internal rules or policy, or any relevant professional, ethical or regulatory body that is applicable to their audit.

Document Control Sheet

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Other notes	