

SPECTRIS PLC
AUDITOR INDEPENDENCE – POLICY ON NON-AUDIT SERVICES

1. Prohibited services

The external auditor will not provide services that have the potential to impair or appear to impair the independence of their audit role. Generally, these include services where the external auditor:

- Participates in activities that involve making judgements and taking decisions that are properly the responsibility of management;
- Creates a mutuality of interest;
- Acts in an advocacy role for Spectris; or
- May be required to audit their own work.

Accordingly, the external auditor is **prohibited** in providing the following non-audit services:

- (a) Provision of all tax services;
- (b) Services that involve playing any part in management or decision making;
- (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 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:
 - provision of general counsel;
 - negotiating on behalf of the company; and
 - acting in an advocacy role in the resolution of litigation.
- (h) Services related to the internal audit function;
- (i) Services linked to financing, capital structure and allocation, and investment strategy, except providing assurance services in relation to the financial statements, such as the issuing of comfort letters in connection with the issue of prospectuses;
- (j) Promoting, dealing in, or underwriting shares;

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- (k) Human resources services with respect to:
- management in a position to exert influence over the preparation of the accounting records or financial statements, which are the subject of the statutory audit, where such services involve:
 - searching for or seeking out candidates for such positions;
 - undertaking reference checks of candidates for such positions.
 - structuring the organisation design; and
 - cost control.

2. Other non-audit services

In respect of other non-audit services (typically acquisition due diligence and the interim results review), where the fees involved for any individual engagement are in excess of £150,000, these will be subject to:

- competitive bidding, with a minimum of two potential providers; and
- pre-approval by the Audit and Risk Committee.

A cumulative, annual cap of £250,000 is established in respect of non-audit services provided by the external auditor (with the exclusion of due diligence services and the interim results review) above which all individual engagements will be subject to pre-approval by the Audit and Risk Committee.

A 70% cap on non-audit fees based on the Group's average audit fee for the past three consecutive years is applicable. Total non-audit fees in the fourth year cannot exceed 70% of the average for the preceding three years.

Non-audit services cannot be provided on a contingent fee basis where:

- The contingent fee is material to the audit firm or the audit partner's profit-sharing pool; or
- the outcome of these services is dependent on a future or contemporary audit judgement relating to a material matter in the audited financial statements,

The Audit and Risk Committee will be provided with an annual summary of individual engagements over the thresholds above and the total of all non-audit services provided by the external auditor in that year.