



Rolls-Royce

Non-audit services policy

Version – August 2025



PURPOSE

The purpose of this paper is to provide a mandatory policy which sets out the type of non-audit services that the external auditor (incumbent or incoming) can be engaged to provide to the Rolls-Royce Group globally. The policy details the delegated authority levels for approving non-audit engagements performed by the external auditor and the process which must be followed prior to work commencing. The policy must be adhered to in order to ensure the independence of the external auditor. This policy must be applied to all proposed engagements with the external auditor.

MANDATORY RULES

The UK FRC's 'Revised Ethical Standard December 2024' details the restrictions required, including a whitelist of permissible services. The new standard was effective from 1 January 2025. Although this is a UK regulation, the Group has decided to apply restrictions globally to cover all subsidiary companies across the Rolls-Royce Group.

It is the responsibility of Sector Chief Financial Officers ('CFOs'), Financial Controllers, Heads of business units, operating units and functions to ensure that this policy is followed by their respective areas.

PERMISSIBLE SERVICES

The Ethical Standard restricts the external auditor from providing non-audit services to Rolls-Royce, apart from the following services as listed below.

- *Services required by law or regulation and exempt from the non-audit services cap*
 - Reporting required by a competent authority or regulator under law or regulation for example;
 - Reporting to a regulator on the client assets;
 - in relation to entities regulated under the Financial Services and Markets Act 2000 (FSMA), reports under s166 and s340 of FSMA;
 - Reporting to a regulator on regulatory financial statements;
 - Reporting on a Solvency and Financial Condition Report under Solvency II.
 - In the case of a controlled undertaking incorporated and based in a third country, reporting required by law or regulation in that jurisdiction where the auditor is permitted to undertake that engagement;
 - Reports, required by or supplied to competent authorities / regulators supervising the audited entity, where the authority / regulator has either specified the auditor to provide the service or identified to the entity that the auditor would be an appropriate choice for service provider; and
 - Services which support the entity in fulfilling an obligation required by UK law or regulation, including listing requirements where: the provision of such services is time critical; the subject matter of the engagement is price sensitive; and it is probable that an objective, reasonable and informed third party would conclude that the understanding of the entity obtained by the auditor for the audit of the financial statements is relevant to the service, and where the nature of the service would not compromise independence.

- *Services subject to the non-audit services cap*
 - Reviews of interim financial information; and providing verification of interim profits not otherwise required by law or regulation;
 - Where not otherwise required by law or regulation, non-audit and additional services, as defined in this Ethical Standard provided as auditor of the entity, or as reporting accountant, in relation to information of the audited entity for which it is probable that an objective, reasonable and informed third party would conclude that the understanding of the entity obtained by the auditor is relevant to the service, and where the nature of the service would not compromise independence;
 - Extended audit or assurance work that is authorised by those charged with governance performed on financial or performance information and/or financial or operational controls, in an entity relevant to an engagement or a third-party service provider, where this work is closely linked with the audit work;
 - Reporting on the iXBRL tagging of financial statements in accordance with the European Single Electronic Format for annual financial reports. In situations involving a dual listed entity where iXBRL tagging assurance is required by the laws and regulations of an other jurisdiction, then the part of the fee relating to such an other jurisdiction is not subject to the fee cap;
 - Additional assurance work or agreed upon procedures, authorised by those charged with governance performed on material included within or referenced from the annual report of an entity relevant to an engagement;
 - Reporting on government grants;
 - Reporting on covenant or loan agreements, which require independent verification, and other reporting to third parties with whom the entity relevant to an engagement has a business relationship in accordance with Appendix C of this Ethical Standard;
 - 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 (SI 2019/177); and
 - Generic subscriptions providing factual updates of changes to applicable law, regulation or accounting and auditing standards.

APPROVALS

Non-audit services that are not subject to the non-audit services cap (set out above) are permitted provided that pre-approval is obtained:

Pre-approval required by		
Director - Group Financial Control and Tax	Group CFO	Chair of Audit Committee
Up to £10,000	Up to £100,000	Over £100,000

Services which are subject to the non-audit services cap (set out above) are subject to a special option which allows their provision in certain, limited, circumstances, provided certain conditions are met. The use of this option is expected to be very rare in practise and any proposal to use it must be discussed initially with the Director - Group Financial Control and Tax and must be pre-approved by the Chair of the Audit Committee.

Please ensure that any fee variations/scope changes are considered in conjunction with the approval limits above before any further work is undertaken. It is the responsibility of the business contact contracting with the external auditor to ensure they have the correct level of approval if a fee variation or scope change is required (i.e. if the original approval limit no longer covers the uplifted fee, further approvals must be requested before work begins).

PROCESS TO ENGAGE THE AUDIT FIRM

The non-audit services approval form should be completed in advance of the auditor being engaged to provide the service. The completed form should be submitted in Word Document format to the Director - Group Financial Control and Tax, copying in Lizzie Parker (<mailto:elizabeth.parker2@rolls-royce.com>) and Daphne Chivayo (Daphne.Chivayo@Rolls-Royce.com) who co-ordinate the approval of non-audit services. This approval process should be repeated where there is a scope change and/or fee variation.

The non-audit services approval form can be found on the Group Finance Manual on the Engine Room.

Once the non-audit service request has been agreed as being permissible and approved by the appropriate delegated authority, a unique reference number will be assigned to the service. The reference number will be required by the audit firm before it can commence its own approval process.

No engagement letter may be signed and no work may commence until both: (i) RR Group Financial Control approval is obtained; and (ii) the external auditors own approval process has concluded.