

The Biotech Growth Trust PLC
(the “Company”)

Policy on Engagement of the Auditor for Non-Audit Services

Approved by the Board on 4 November 2020
Last Reviewed: May 2021

- 1) The Company has taken into consideration the Financial Reporting Council's revised Ethical Standard 2019¹ when preparing this policy and this revised policy is in full compliance with the FRC's standard.
- 2) Any new engagement with the Company's external auditor for an individual service or specific project in the categories of services below must be approved in advance by the Audit Committee. Such proposals will be considered by the Audit Committee as part of its review and monitoring of the independence of the auditor. Non-audit fees must not exceed 70% of the average of the fees paid in the last three consecutive years for the audit (the 'non-audit services cap').
- 3) **The following non-audit services may be provided by the Company's external auditor and are exempt from the non-audit services cap:**
 - a) Reporting required by law or regulation, such as reporting on the tagging of financial statements in accordance with the European Single Electronic Format;
 - b) Reporting on internal financial controls when required by law or regulation;
 - c) Reports required by or supplied to competent authorities / regulators where the authority / regulator has either specified the auditor to provide the service or identified to the Company that the auditor would be an appropriate choice for service provider; and
 - d) Services which support the Company 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 Company 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.
- 4) **The following non-audit services may be provided by the Company's external auditor but are subject to the non-audit services cap:**
 - a) Reviews of interim financial information; and providing verification of interim profits not otherwise required by law or regulation;
 - b) Where not otherwise required by law or regulation, non-audit and additional services provided as auditor of the Company, or as reporting accountant, in relation to information about the Company provided that a third party would consider the auditor's knowledge about the Company is relevant to the service and where it would not compromise the auditor's independence;
 - c) Extended audit or assurance work which is authorised by the Audit Committee, performed on financial or performance information and/or financial or operational controls, where this work is closely linked with the audit work;
 - d) Additional assurance work or agreed upon procedures authorised by the Audit Committee, performed on material included within or referenced from the annual report; and
 - e) Reporting on covenant, loan agreements or similar which require independent verification.
- 5) Whilst there are other services that may be provided as long as the auditors' integrity, objectivity and independence are not threatened (eg some tax services), these are likely to be very limited. Consequently, unless explicitly included in this non-audit services policy such services are not permitted.

¹ This has significantly reduced the scope of services that can be provided by company's external auditors