25 February 2021

JOHN LAING GROUP PLC

EXTERNAL AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES POLICY (the "Policy")

1. Introduction

The Audit & Risk Committee (the "Committee") has determined that, for reasons of maintaining the independence and objectivity of the Company's external auditor, this Policy shall be followed when considering whether it is appropriate for the external auditor to be appointed by the Company to undertake work outside the scope of their annual audit.

The Company's general policy is that John Laing Group plc's ("JLG") independent external auditor and its affiliates (collectively referred to as the "Auditor") should not be used for non-audit work. However, it is recognised that there are sound commercial reasons why there should be exceptions to this general policy.

This Policy provides guidelines dealing with non-audit services that may, subject to meeting certain criteria or receiving appropriate approval, be provided by the Auditor.

2. Purpose

The purpose of this Policy is to ensure that the Group complies with applicable guidelines and best practice on the provision of non-audit services and for maintaining auditor independence
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3. Independence

Except as engaged properly in accordance with this Policy, the external audit team should have no financial, employment or business relationship with JLG. Investment in the shares of the Company by the Auditor or by any employee of the Auditor is prohibited.

The Committee will require the Auditor to confirm annually that it has complied with all professional regulations relating to auditor independence. Specifically, the Auditor will be required to confirm its commitment to strict procedures that ensure that: the Auditor, its partners and relevant staff (including all current service team members) do not have any financial, business, employment or family and other personal relationships with JLG which could affect adversely the Auditor's independence and objectivity; the pension fund of the partners of the Auditor does not hold any direct financial interest in JLG; the staff pension fund of the Auditor does not hold any direct financial interest in JLG; there are no business interests between JLG and the Auditor including any outsourcing arrangements; and no fee paid by JLG to the Auditor is paid on a contingency basis. The Committee will review annually the independence, objectivity and performance of the Auditor in considering the appropriateness of the ongoing appointment.

In addition to the confirmations and representations by the Auditor referred to above, the standard of independence to which the Auditor complies will be not less than the requirements of the primary listing authority to which JLG is subject (currently the Financial Conduct Authority).

The Committee may engage on a periodic basis an independent expert to conduct a high level review of the perception of JLG's Auditor independence.

4. The provision of non-audit services

The Auditor is precluded from engaging in non-audit services that would compromise its independence or violate any laws or regulations affecting its appointment as Auditor.

Specifically, the Auditor may not provide a non-audit service which:

- Places the Auditor in a position to audit its own work; or
- A mutuality of interest is created; or
- Results in the Auditor developing close personal relations with the employees of JLG; or
- Results in the Auditor functioning as a manager or employee of JLG; or
- Puts the Auditor in the role of advocate for JLG; or
- Is not a permitted non-audit / additional service for Public Interest Entities as per the FRC's Revised Ethical Standard 2019.

Permitted non-audit / additional services for Public Interest Entities as per the FRC's Revised Ethical Standard 2019 fall into two categories:

1. Services required by law or regulation and exempt from the non-audit services cap
2. Services subject to the 70% non-audit services fee cap

The Auditor is eligible for selection to provide permitted non-audit services only to the extent that its skills and experience make it a competitive and the most appropriate supplier of these services.

All potential mandates for permitted non-audit services from the Auditor, or any member of its network, to JLG or to its worldwide controlled undertakings will be determined on a case by case basis and be subject to prior approval of the Committee in the following circumstances:

- Where the value or extent of the proposed services will be significant (the value of proposed services is significant when the annual cumulative fee for non-audit services, including the fee for the proposed services, exceeds £50,000);
- Where the value or extent of the proposed services requires prior competitive tendering, or
- Where the Auditor would be required to use additional or alternative, non-audit staff to ensure that Auditor impartiality is maintained.

In addition, proposed services must be approved in advance by the Chief Financial Officer where the annual cumulative fee for non-audit services, including the fee for the proposed services, would exceed £20,000.

In order to manage the Group's relationships with the Auditor, the provision of all non-audit services must be notified to and approved by the Group Head of Finance.

In respect of each financial year, the Committee will be presented yearly with a list (by category) of the non-audit services provided by the Auditor, or any member of its network, during the year and the fees involved, split between those services provided to JLG or its controlled undertakings and those provided to its non-controlled undertakings.

If, in the view of the Committee, the level of fees for non-audit services paid to the Auditor is of a magnitude that could impair or be perceived to impair auditor independence, notwithstanding the provisions of the fee cap, then the Committee may impose a restriction on non-audit work awarded to the Auditor.

In addition to the spend on non-audit services with the Group's Auditor, any spend with any remaining "Big 4" Audit firms not currently appointed as Auditor will be recorded and reported on a semi-annual basis to the Committee.

5. Employment of former employees of the auditor

A former signing partner or independent review partner may not be recruited by JLG or any of its subsidiaries (the "John Laing Group") in any capacity unless a period of at least two years has expired since they held such a position.

Except with prior approval of the Committee, no candidate employed by the Auditor and working on the external audit of the John Laing Group (or who has worked on the external audit in the previous financial year) may be approached with an offer of employment.

Except with the agreement of the Committee, no candidates employed by the Auditor may be seconded to the John Laing Group or otherwise work for the John Laing Group in any role where the activity would be prohibited if undertaken directly by the Auditor.

The Committee will monitor the number of former employees of the Auditor currently employed in senior positions in the John Laing Group, and consider whether there has been any impairment, or appearance of impairment, of the Auditor's independence and objectivity as a result.