Dunelm Group plc

Policy on use of the statutory auditor to provide non-audit services

Policy objective

THE AUDIT AND RISK COMMITTEE RECOGNISES IT IS IMPORTANT THAT THE INDEPENDENCE AND OBJECTIVITY OF THE EXTERNAL AUDITOR IS NOT IMPAIRED THROUGH THE PROVISION OF NON-AUDIT SERVICES.

The following policy, which is line with the requirements of the FRC's Revised Ethical Standard 2024 ('Ethical Standard'), is intended to ensure that the external auditor's integrity is not compromised by restricting their involvement in the provision of non-audit services when a conflict of interest, real or perceived, may exist.

Permitted non-audit services

The Group's auditors will be appointed to only provide the permitted non-audit services/additional services as defined in Section B of the Ethical Standard subject to pre-approval by the Audit and Risk Committee. These services are largely carried out by members of the audit engagement team, and where the work involved is closely related to the work performed in the audit and where there are no threats to auditor independence.

The permitted services fall into two categories, one where the fee involved is exempt from the non-audit services cap and the other where the fees involved are subject to the non-audit services cap. These services are outlined as below:

(a) 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 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;
- 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;

(b) 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;
- 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 the 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);
- Generic subscriptions providing factual updates of changes to applicable law, regulation or accounting and auditing standards.

In such cases the statutory auditor may provide the permitted non-audit/additional services so long as:

- the Audit and Risk Committee is satisfied that the overall policy objective set out above is met; and
- Fees paid to the statutory auditor for non-audit services in any financial year do not exceed 70% of the average of the statutory audit fees for the preceding three-year period.

All non-audit services to be provided together with the fee must be approved by the Audit and Risk Committee in advance. Where assignments are commenced between formal meetings they must be approved by the Chair of the Audit and Risk Committee and reported at the next meeting.

Prohibited non-audit services

The Ethical Standard also lists those services which an auditor is forbidden from carrying out in appendix B. The Group's auditors must not be appointed to provide any prohibited non-audit services in:

i. the period between the beginning of the period audited and the one issuing of the audit report; and

ii. the financial year (or period if longer than one year) immediately preceding the period referred to in point (i) in relation to the services listed in points (e) and (h) below.

For these purposes, prohibited non-audit services shall mean:

(a) tax services relating to:
- preparation of tax forms;
- payroll tax;
- customs duties;
- identification of public subsidies and tax incentives unless support from the audit firm is required by law;
- support regarding tax inspections by tax authorities unless support from the audit firm is required by law;
- calculation of direct and indirect tax and deferred tax;
- provision of tax advice.

(b) services that involve playing any part in the management or decision-making of the Group;

(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 designing and implementing financial information technology systems;

(f) valuation services, including valuations performed in connection with actuarial services or litigation support services;

(f) legal services, with respect to:

- provision of general counsel;
- negotiating on behalf of the Group;
- acting in an advocacy role in the resolution of litigation;

(h) services related to the internal audit function;

(i) services linked to the financing, capital structure and allocation, and investment strategy of the Group, except providing assurance services in relation to the financial statements, such as the issuing of comfort letters in connection with prospectuses issued by the Group;

(j) promoting, dealing in, or underwriting shares in the audited Group;

(k) human resources services with respect to:

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

Disclosure

The Company will report annually on the Group's annual expenditure with the external auditor on non-audit services and will explain the nature of these services.

Approval

This policy is reviewed annually to ensure that it remains fit for purpose and is in alignment with relevant legal and regulatory requirements.

All questions as to the interpretation of this policy should be directed to the Company Secretary in the first instance, who will liaise with the Chair of the Audit and Risk Committee as appropriate.

Approved by the Board of Dunelm Group plc
4 September 2025