

Marks and Spencer Group plc

Auditor Engagement Policy

Introduction

During the year Deloitte LLP (“Deloitte”), the external Auditor of Marks and Spencer Group plc (the “Group”), may be requested to support various projects for the Group. It is important that the independent role of external auditors in reporting to shareholders is not compromised, but it is equally important that the Group is not deprived of valuable expertise where it is needed.

The Audit Committee keeps under review the independence and objectivity of the external auditors and the effectiveness of the audit process. On occasions, the nature of non-audit advice may make it more timely and cost-effective to select Deloitte, who already have a good understanding of the Group. Deloitte may also be appointed for consultancy work, but only after rigorous checks, including competitive tender, to confirm they are the best provider. Where non-audit work is performed by Deloitte, both the Group and Deloitte ensure robust processes to prevent auditor objectivity and independence from being compromised. All non-audit work performed by Deloitte is put to the Audit Committee for consideration and approval, regardless of size. Deloitte is also subject to professional standards which safeguard the integrity of the auditing role performed on behalf of shareholders.

The Institute of Chartered Accountants in England and Wales sets out threats to the independence of auditors as:

- self interest, where an interest in the outcome of their work, or in a depth of relationship with the Group, might conflict with the auditors’ objectivity;
- self review, where the auditors may be checking their own colleagues’ work and might feel constrained from identifying risks or shortcomings;
- advocacy, which is present in many engagements but becomes a threat if the auditor becomes an advocate for an extreme position in adversarial proceedings;
- over-familiarity or intimidation.

The Group intends to adhere to the principles of the EU Audit Regulation and Directive and intends to prohibit and restrict services as outlined in the legislation.