

Audit Committee Terms of Reference

Constitution

1. The Audit Committee (the “Committee”) is established by the Board of Directors of Tate & Lyle PLC (the “Company”).

Membership

2. The members of the Committee shall be appointed by the Board, upon the recommendation of the Nominations Committee and shall comprise no fewer than three independent Non-Executive Directors. The Committee as a whole shall have competence relevant to the sector in which the Company operates and at least one member of the Committee shall have recent and relevant financial experience. The Chair of the Company should not be a member of the Committee.
3. The Chair of the Committee shall be appointed by the Board, upon the recommendation of the Nominations Committee, from amongst the members of the Committee. In the absence of the Committee Chair, the remaining members present shall elect one of themselves to chair the meeting.
4. The quorum for any meeting of the Committee shall be any two members.

Attendance at meetings

5. The Chief Financial Officer, the Group Financial Controller, the Group Head of Internal Audit and Risk and the external auditors shall normally attend meetings at the invitation of the Committee. The Chair of the Company and the Chief Executive shall normally be invited to all meetings. None of these individuals shall be members of the Committee.
6. Other Board members may attend meetings subject to obtaining prior agreement of the Chair of the Committee.
7. Other persons may attend meetings or be present for particular agenda items if invited by the Committee.

8. At least once a year, the Committee shall meet separately with each of the external auditors, the Chief Executive, the Chief Financial Officer and the Group Head of Internal Audit and Risk without management present.
9. The Company Secretary shall be the Secretary of the Committee.

Frequency of meetings

10. The Committee shall meet at least four times a year and otherwise as required. The Chief Executive, Chief Financial Officer, Group Head of Internal Audit and Risk or the external auditors may request a meeting if they consider that one is necessary.
11. Unless otherwise agreed, notice of each meeting together with an agenda and papers to be considered, shall be circulated to each member of the Committee not fewer than five working days prior to the date of the meeting.

Authority

12. The Committee is authorised by the Board to:
 - (a) investigate any activity within its terms of reference;
 - (b) seek any information it requires from any employee of the Company and require any employee to be questioned at a Committee meeting and all employees are directed to co-operate with any request made by the Committee;
 - (c) obtain outside legal or other independent professional advice and to secure the attendance of advisors with relevant experience and expertise if it considers this necessary, the expenses to be borne by the Company; and
 - (d) have the right to publish in the Company's annual report details of any issues that cannot be resolved between the Committee and the Board.

Responsibilities

13. The responsibilities of the Committee shall be as follows:

13.1 External Auditors and Audit

- (a) to review and monitor the external auditor's independence and objectivity, taking into consideration relevant UK professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services;

- (b) to monitor the external auditor's compliance with relevant ethical and professional guidance on the rotation of audit partner, the level of fees paid by the Group compared to the overall fee income of the firm and other related requirements;
- (c) to make recommendations to the Board, for it to put to the shareholders for their approval in general meeting, in relation to the appointment, re-appointment and removal of the external auditor, having due regard for the provisions of the UK Corporate Governance Code and the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014, and to negotiate and approve the remuneration and terms of engagement of the external auditor;
- (d) in respect of any tender of the audit services contract, to oversee the selection process and ensure that all tendering firms have such access as is necessary to information and individuals during the duration of the tendering process;
- (e) to develop and implement policy on the engagement of the external auditor to supply non-audit services, taking into account relevant Financial Reporting Council (FRC) and ethical guidance regarding the provision of non-audit services by the external audit firm;
- (f) to discuss with the external auditors, before the audit commences, the nature and scope of the audit having regard to the seniority, expertise and experience of the audit team and to review the auditor's quality control procedures and steps taken by the auditor to respond to changes in regulatory and other requirements;
- (g) to review the findings of the audit with the external auditor;
- (h) to review and monitor the effectiveness of the audit and audit process, taking into account the FRC's audit inspection findings and the provisions in the FRC's Guidance for Audit Committees.
- (i) to ensure co-ordination where more than one audit firm is involved in the audit;
- (j) to ensure coordination with the activities of Group Audit and Assurance;
- (k) to review the external auditor's management letter and management's response;
- (l) to review the Company's proposed letter of representation to the auditors and make recommendations to the Board;
- (m) to discuss any material issues arising from the annual audit and half-year review, and any matters the auditor may wish to discuss (in the absence of management where necessary); and
- (n) if an auditor resigns, to investigate the issues leading to this and decide whether any action is required.

13.2 Financial Reporting

- (a) to monitor the integrity of the financial statements of the Company, including its annual and half-yearly reports, and any other formal announcements or documents relating to the Company's financial performance, before submission to the Board, paying particular attention to:
 - (i) significant accounting policies and practices, and any changes in them;
 - (ii) major judgmental areas, such as provisions and asset impairment, taking into account the views of the external auditor;
 - (iii) the methods used to account for significant or unusual or related party transactions in the year and how they are disclosed;
 - (iv) the clarity and completeness of disclosures and the context in which statements are made;
 - (v) all material information presented with the financial statements such as the strategic report and the corporate governance statement (insofar as it relates to audit and risk management);
 - (vi) significant adjustments resulting from the audit;
 - (vii) the going concern assumption and to review the Company's statement on going concern, including identifying any material uncertainties to the Company's ability to continue to adopt the going concern basis over a period of at least 12 months from approval of the financial statement, prior to endorsement by the Board;
 - (viii) compliance with accounting standards taking into account the views of the external auditor; and
 - (ix) compliance with rules of the Financial Conduct Authority and other regulatory and legal requirements.

13.3 Internal Control and risk management systems

- (a) to assist and advise the board to establish and maintain an effective risk management and internal control framework, and determine the nature and extent of the emerging and principal risks the company is willing to take in order to achieve its long-term strategic objectives;
- (b) to agree the processes to facilitate the ongoing monitoring and review of the Group's internal financial controls and risk management systems, and other internal control

and risk management systems as delegated to it by the Board from time to time, including the scope and frequency for reporting and assurance;

- (c) to undertake an annual review of the adequacy and effectiveness of the Group's internal financial controls and risk management systems, and other internal control and risk management systems delegated to it by the Board from time to time, and confirm to the Board that such a robust review has taken place and also to confirm to the board that it believes that the material controls have been effective or, where they have not, where any material controls have not operated effectively. That review shall cover all material controls, including financial, operational, reporting and compliance controls;
- (d) to review the Company's statement on internal control and risk management systems prior to consideration by the Board and to review the policies and process for identifying and assessing business risks and the management of those risks by the Company, which such review will include, where it is required to do so by the UK Corporate Governance Code: (i) a description of how the board has monitored and reviewed the effectiveness of the framework; (ii) a declaration of effectiveness of the material controls as at the balance sheet date; and (iii) a description of any material controls which have not operated effectively as at the balance sheet date, the action taken, or proposed, to improve them and any action taken to address previously reported issues;
- (e) to review the draft statement contained in the Annual Report about the prospects of the Company, including the period of this assessment, prior to consideration by the Board.

13.4 Internal Audit (Group Audit and Assurance)

- (a) to review and approve the terms of reference (charter) of Group Audit and Assurance and to ensure that the function is adequately resourced, has appropriate standing within the Group and has regular direct access to the Audit Committee, its Chair and the Chair of the Company;
- (b) to monitor and review the effectiveness of Group Audit and Assurance;
- (c) to approve the appointment or dismissal of the Group Head of Internal Audit and Risk;
- (d) to provide input into the Remuneration Committee regarding the terms, conditions and remuneration of the Group Head of Internal Audit and Risk;
- (e) to review and assess the annual internal audit work plan;
- (f) to review the regular progress reports from the Group Head of Internal Audit and Risk; and
- (g) to consider management's response to any major recommendations by Group Audit and Assurance.

13.5 Business Practices

- (a) to review the Group's general business practices and associated policies and procedures including those relating to, inter alia, detecting and deterring fraud, bribery and corruption, competition law compliance, privacy law compliance, anti-money laundering provisions, the payment of commissions and other like requirements as appropriate.

13.6 IT and Cyber-security

- (a) to oversee the Group's policies and systems relating to information technology and to address cyber security threats.

13.7 Review of Finance function

- (a) to monitor and review the Group's Finance function including its culture, talent management and succession planning.

Other matters

- 14. The Committee shall be provided with appropriate and timely training in the form of an induction programme for new members and on an ongoing basis for all members.
- 15. The Committee shall conduct an annual review of its terms of reference, work and own effectiveness and recommend any necessary changes to the Board. It shall also make its terms of reference publicly available.
- 16. The Committee shall have access to sufficient resources in order to carry out its duties, including access to the Company Secretariat for assistance as required.
- 17. The Committee shall oversee any investigation of activities which are within its terms of reference.

Reporting procedures

- 18. The minutes of the Committee meetings will be made available to all members of the Board unless in the opinion of the Committee Chair it would be inappropriate to do so.
- 19. The Chair of the Committee shall report to the Board on the work undertaken by the Committee, including, inter alia: the significant issues that it considered in relation to the financial statements and how these issues were addressed; any matters in respect of which it considers that action or improvement is needed and recommendations as to the steps to be taken; its assessment of the effectiveness of the external audit process and any other issues on which the Board has requested the Committee's opinion.

20. The Chair of the Committee shall answer questions on the Committee's activities and responsibilities at the Annual General Meeting.
21. The Committee shall ensure that a section on its activities is included in the Company's annual report, having due regard for the provisions of the UK Corporate Governance Code and the FRC's Guidance on Audit Committees and the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014.