



Audit & Risk Committee Terms of Reference

Issued December 2024



The Audit & Risk Committee (“the Committee”) Terms of Reference should be read in conjunction with the Terms that Apply to All Committees of the Board of HALEON plc.

1. Chair	The Board shall appoint the Committee Chair
2. Members	<p>A minimum of three Independent Non-Executive Directors.</p> <p>At least one member shall have recent and relevant financial experience and the Committee as a whole will be financially literate and have competence relevant to the sector in which the Company operates.</p> <p>At least one member must have competence in accounting and/or audit and be considered a financial expert (as defined by the U.S. Securities and Exchange Committee), as determined by the Board, upon the recommendation of the Nominations & Governance Committee.</p> <p>The Board Chair shall not be a member of the Committee.</p>
3. Meetings	<p>There shall be a minimum of four Committee meetings a year.</p> <p>At least once a year the Committee shall meet separately with the external auditor, the Head of Audit & Risk and the Chief Compliance Officer without the Executive Directors and other management being present.</p>
4. Duties 4.1	<p>Financial and Narrative Reporting</p> <p>(a) Monitor and assess the Company’s financial statements and information, including those contained in its Annual Report and Accounts and Form 20-F, interim and preliminary results announcements and any other formal statements relating to its financial performance, prior to their approval by the Board, and in particular focus on:</p> <ul style="list-style-type: none"> i) the integrity of the Company’s financial and narrative reporting, including the strategic report; statements relating to audit and risk; and environmental and sustainability disclosures; ii) the application and appropriateness of significant accounting policies and financial reporting judgements and any changes to them; iii) the methods used to account for significant or unusual transactions, where different approaches are possible; iv) whether the Company has made appropriate estimates and judgements, taking into account the external auditor’s views; v) significant adjustments resulting from the external audit and any unadjusted items identified during the external audit; vi) the assurance on environmental and sustainability disclosures from the external auditor, and any significant issues and adjustments made (jointly with the Environmental & Social Sustainability Committee); vii) the clarity and completeness of disclosures in the financial statements and the context in which statements are made, including viability statements and the appropriateness of adopting the going concern assumptions as to the Company’s ability to continue to operate and meet its liabilities, taking account of its current position and principal risks; and viii) compliance with relevant UK and US legal and regulatory requirements and financial reporting standards. <p>(b) Where requested by the Board, advise on whether, taken as a whole, the Annual Report and Accounts and Form 20-F (and, as applicable, relevant interim and other price sensitive public records to regulators) is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company’s performance, business model and strategy.</p>

	<ul style="list-style-type: none"> (c) Where the Committee is not satisfied with any aspect of the proposed financial reporting by the Company, it shall report its views to the Board. (d) In relation to the Company's dividend proposals, review and consider whether sufficient distributable reserves would be available when a dividend is proposed to be paid and whether sufficient reserves would remain to continue to meet the Company's obligations.
<p>4.2</p>	<p>Risk Management and Internal Controls</p> <ul style="list-style-type: none"> (a) Review and monitor the Company's risk management and internal control framework (covering all material controls, including financial, operational, reporting, and compliance controls), and at least annually review its effectiveness and advise the Board on the relevant statements to be included in the Annual Report and Accounts and Form 20-F. (b) Review the principal and emerging risks facing the Company in achieving its long-term strategic objectives, including the management and mitigation of those risks. The Committee shall monitor the Enterprise Risk Map of all the Company's Enterprise Risks and the process by which they are prioritised. (c) Review the assurance reports on the effectiveness of the risk management and internal control framework and from the internal audit, the external auditor and others on the operational effectiveness of matters related to risk and control. (d) Advise the Board, based on the assessment of the Company's financial position and principal risks, on how the prospects of the Company may be impacted. (e) Review and assess the Company's risk appetite and associated stress testing. (f) Have oversight of the Company's compliance with Section 404 of the US Sarbanes-Oxley Act of 2002. (g) Consider the findings of major internal investigations and management's response and make recommendation for further action to mitigate identified risks as appropriate.
<p>4.3</p>	<p>Compliance, Speak Up & Fraud</p> <ul style="list-style-type: none"> (a) Review the Company's systems and controls for areas covered by the Code of Conduct, including fraud, bribery and corruption and receive reports on non-compliance. (b) Review the adequacy of the Company's arrangements for employees and contractors to raise concerns ("Speak Up") in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow-up action. (c) Review the Company's procedure for compliance with any applicable sanctions regimes. (d) Consider any material breaches or exposure to breaches of applicable regulatory requirements or of ethical codes to which the Company subscribes which could have a material effect on the financial position of contingent liabilities of the Company.
<p>4.4</p>	<p>Internal Audit</p> <ul style="list-style-type: none"> (a) Approve the appointment or termination of the Head of Audit & Risk. (b) Review and approve the role of internal audit and as part of this: <ul style="list-style-type: none"> (i) Meet with the Head of Audit & Risk without the presence of management to discuss the effectiveness of the function; (ii) Annually review and approve the Internal Audit function's performance objectives, and assess performance against these objectives (iii) Review and approve the annual internal audit work plan and budget; (iv) Receive a report on the results of the internal audit function's work;

	<ul style="list-style-type: none"> (v) Determine whether it is satisfied that the quality, experience, and expertise of internal audit is appropriate for the business and sufficient resource is available to deliver the internal audit plan; (vi) Review the actions taken by management to implement the recommendations of internal audit and to support the effective working of the internal audit team; and (vii) Review and approve the Internal Audit Charter and Mandate (c) Monitor the effectiveness of the internal audit function in the overall context of the Company's risk management system and the work of compliance, finance and the external auditor. (d) Ensure internal audit has unrestricted scope, the necessary resources and access to information to enable it to fulfil its mandate and is equipped to perform in accordance with appropriate professional standards for internal auditors. (e) Ensure the Head of Audit & Risk has direct access to the Board Chair and to the Committee Chair, providing independence from the Executive and accountability to the Committee. (f) Annually review and approve the Quality Assurance and Improvement Program, and obtain an independent and objective external quality assessment of the internal audit function as a whole at appropriate intervals.
<p>4.5</p>	<p>External Audit</p> <ul style="list-style-type: none"> (a) Consider and make recommendations to the Board, to be put to shareholders for approval at the Annual General Meeting, in relation to the appointment, re-appointment and removal of the Company's external auditor, including initiating and supervising any related tender process for the appointment of the external auditor in accordance with applicable legal and regulatory requirements. (b) Oversee the relationship with the external auditor. In this context the Committee shall: <ul style="list-style-type: none"> (i) approve their remuneration, including both fees for audit and non-audit services, ensure that the level of fees is appropriate to enable an effective and high-quality audit to be conducted and assess these in the context of relevant legal, professional and regulatory requirements; (ii) approve their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit; (iii) approve the appointment of the lead external audit engagement partner; (iv) assess annually the qualifications, expertise and resources, and independence of the external auditor; and (v) if an external auditor resigns, investigate the issues leading to this and decide whether any action is required. (c) Ensure that appropriate plans are in place for the annual audit at the start of each annual audit cycle and consider the nature and scope of this, having regard to materiality, resources and expertise of the audit team. (d) Review the activities, findings, conclusions and recommendations of the external auditor, including any major resolved or unresolved issues that arose during the course of the audit and the level of errors identified. Review the representation letter(s) requested by the external auditor before signing by management on material matters. Review the management letter and management's response to the auditor's findings and recommendations before consideration by the Board. (e) Meet regularly with the external auditor, and, at least once a year, meet the external auditor without management being present, to discuss the external auditor's remit, any issues arising from the audit and any difficulties encountered during the audit. (f) Review the effectiveness of the external audit process, including an assessment of the quality of the external audit, the handling of key judgments by the external auditor, the

<p>4.6</p>	<p>external auditor's response to questions from the Committee and any audit problems or difficulties and management's response.</p> <ul style="list-style-type: none"> (g) Ensure that a Group policy on the provision of non-audit services by the external auditor is in place, including a procedure for the prior approval of non-audit services by the Committee and specifying the type of non-audit services to be pre-approved. (h) Considering the policy on the provision of non-audit services, assess annually the external auditor's independence and objectivity considering professional and regulatory requirements and the Company's relationship with the auditor as a whole. (i) Agree with the Board a policy on the employment of current and former employees of the external auditor taking into account the FRC's Ethical Standard and legal requirements, and monitor the application of this policy. (j) Review and discuss with the external auditor any significant issues arising from any regulatory inspections of the external auditor to the extent relevant to the Company, including the external auditor's response to any identified accounting deficiencies. <p>Other</p> <ul style="list-style-type: none"> (a) Review the Company's activities with respect to Group treasury and tax planning policies.
<p>5. Reporting</p>	<ul style="list-style-type: none"> (a) Provide advice to the Remuneration Committee on any risk weightings to be applied to performance objectives incorporated in the incentive structure for executive remuneration and make recommendations to the Remuneration Committee on clawback provisions. (b) Oversee and produce a report to be included in the Company's Annual Report and Accounts and Form 20-F describing the work of the Committee, including: <ul style="list-style-type: none"> (i) the significant issues that the Committee considered in relation to the financial statements and how these were addressed; (ii) an explanation of how the Committee has assessed the independence and effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor, information on the length of tenure of the current audit firm, when a tender was last conducted and advance notice of any retendering plans; and (iii) an explanation of how auditor independence and objectivity are safeguarded if the external auditor provides non-audit services, having regard to matters communicated to it be the auditor and all other information requirements set out in the UK Corporate Governance Code.
<p>Approved by the Board of Haleon plc on 4 December 2024.</p>	

Terms that apply to all Committees

Issued December 2024



Chair

In the absence of the Committee Chair, the Committee members shall elect one of the Committee members present to chair the meeting.

The Committee Chair should attend the AGM to answer shareholder questions on the Committee's activities and should seek engagement with shareholders on significant matters related to the Committee's areas of responsibility as appropriate.

The Committee Chair is responsible for maintaining a dialogue with key stakeholders involved in Haleon's governance, including the Board Chair, other Independent Non-Executive Directors, the Chief Executive Officer, the Chief Financial Officer, the Company Secretary and, where applicable, the external audit lead partner and/or internal audit.

Membership

The Committee shall comprise at least three members, all of whom shall be Independent Non-Executive Directors in accordance with the provisions of the UK Corporate Governance Code. Appointments to the Committee are made by the Board on the recommendation of the Nominations & Governance Committee.

Attendance

Only members of the Committee have the right to attend Committee meetings. Any other person may be invited to attend meetings on a regular basis or from time to time as determined by the Committee Chair and Company Secretary. The Committee may also meet without any executives of the Company being present.

Quorum

The Quorum for the Committee meetings shall be two Committee members.

Secretary

The Company Secretary, or their nominee, shall act as Secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues, and will prepare minutes of the meeting.

Notice of Meetings

Members may attend a Committee meeting in person, via video or telephone. If required, matters may be approved by written resolution and approved electronically.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items and supporting papers to be discussed, shall be forwarded to each member of the Committee, and any other person required to attend, in a timely manner.

The Secretary shall ensure that a formal record of Committee proceedings and resolutions is maintained, and the minutes once approved by the Chair, shall be made available to all members of the Committee.

Meeting agendas are prepared by the Secretary of the Committee in collaboration with the relevant Committee Chair and contributors, as applicable.

Conflict of Interest

Each member of the Committee should consider whether they have any conflicts of interest prior to participating in meetings of the Committee and making decisions regarding the business of the Company. Any such conflicts must be declared and noted at the start of the meeting.

Delegation of Authority

The Committee shall sub-delegate certain matters to a sub-committee as required, from time to time.

Other Matters

The Committee shall:

- (a) Give due consideration to all relevant laws and regulations, the provisions of the UK Corporate Governance Code and published guidance, the requirements of the Financial Conduct Authority's Listing Rules, Prospectus Regulation Rules and Disclosure Guidance and Transparency Rules sourcebook, the applicable listing standards of any US national securities exchange on which the Company's securities are listed, and any other applicable rules, as appropriate.
- (b) Report to the Board as soon as practicable on matters reviewed, making recommendations when requested or appropriate.
- (c) Ensure periodic reviews of its own performance and at least annually, and as required in response to any changes in regulation, regulatory guidance and developing best practice, review its constitution and Terms of Reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.
- (d) Ensure appropriate training for its members, both in the form of an induction programme for new members and on an ongoing basis as discussed with the Committee.
- (e) Have access to sufficient resource and such information as it may require from any director, officer or employee of the Company to carry out its duties.
- (f) Take professional advice as necessary and in particular from the Company's external auditor, brokers and legal (at the Company's expense).
- (g) Conduct an evaluation of the Committee's performance as part of the annual Board Evaluation process.

Approved by the Board of Haleon plc on 4 December 2024.