

**FERROGLOBE PLC**  
**AUDIT COMMITTEE TERMS OF REFERENCE**

1. **Role.** The role of the Audit Committee (the “Committee”) is to:
  - (a) Oversee the Company’s accounting and financial reporting processes and the audits of the Company’s financial statements;
  - (b) Monitor and make recommendations to the Company’s Board of Directors (the “Board”) regarding the auditing and integrity of the Company’s consolidated financial statements;
  - (c) Review and make recommendations to the Board regarding the annual financial statements
  - (d) Review and approve quarterly financial statements;
  - (e) Be directly responsible for the qualification, selection, retention, independence, performance and compensation of the Company’s independent auditors (“Auditors”), including resolution of disagreements between management and the Auditors regarding financial reporting, for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, and have the Auditors report directly to the Committee;
  - (f) Provide oversight in respect of the Company’s internal audit and accounting and financial reporting processes;
  - (g) Evaluate and provide oversight in respect of the Company’s risk analysis and controls, including review of the group-wide insurance programme; and
  - (h) Perform such other duties as are set out in these Terms of Reference.

As part of these duties, the Committee shall discuss any concerns with the Board as the Committee deems appropriate.

2. **Membership.** The Committee’s membership will consist of three or more directors appointed by the Board on the recommendation of the Nominating and Corporate Governance Committee, each of whom shall be independent, as such term is defined in the applicable rules of the Securities and Exchange Commission (“SEC”) and The Nasdaq Stock Market, Inc. (“Nasdaq”), and the Nominating and Corporate Governance Committee shall affirmatively determine that each Committee member has such independence and no relationship that, in the Board’s opinion, would interfere with his or her independent judgment. Each Committee member shall, at the time of his or her appointment to the Committee, be able to read and understand fundamental financial statements, including the balance sheet, income statement, and cash flow statement. At least one Committee member shall be an “audit committee financial expert” as such term is defined by applicable SEC requirements and “financially sophisticated”, as required by applicable Nasdaq rules, having past employment experience in finance or accounting, requisite professional

certification in accounting, or any other comparable experience or background, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. Periodic training shall be available to provide appropriate continuing education for Committee members. The Committee shall review each member's qualifications and the Board shall appoint the chairperson.

3. **Operations.** The Committee will meet at least four times a year. Additional meetings may occur as the Committee or its chair deem advisable. Any member of the Board may attend any meeting of the Committee as an observer, except to the extent the Committee determines in good faith that such attendance would be inconsistent with (i) any provision hereof, (ii) any provision of the Company's articles of association, (iii) any policies approved by the Board, or (iv) the laws of England and Wales. The Committee should, at least annually, meet the external and internal auditors, without management, to discuss matters relating to its remit and any issues arising from the audit. The Committee will keep minutes of its proceedings and will report its actions to its next meeting. The Committee will be governed by the same rules regarding meetings (including meetings by conference telephone or similar communications equipment), action without meetings, notice, waiver of notice, and voting requirements as are applicable to the Board. The quorum of a Committee meeting shall be two. The Committee is authorized and empowered to adopt its own rules of procedure not inconsistent with (a) any provision hereof, (b) any provision of the Company's articles of association or (c) the laws of England and Wales.
4. **Authority**
  - (a) The Committee will have the resources and authority necessary to discharge its duties and responsibilities, including the authority to retain outside counsel or other experts or consultants, as it deems appropriate. Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company, and the Committee will take all necessary or appropriate action to preserve the privileged nature of those communications.
  - (b) Where a disagreement between the Committee and the Board cannot be resolved, the Committee should have the right to report the issue to the shareholders as part of the report on its activities in the annual report.
  - (c) Except as may otherwise be specifically authorized herein or required by the federal securities laws, the laws of England and Wales, or Nasdaq rules, the Committee is not authorized to bind the Board or the Company without the Board's prior approval set forth in a duly adopted resolution approved by a majority of the Board members who are independent as defined by Nasdaq Rule 4200(a)(15) as currently in effect.
5. **Responsibilities.** The Committee's principal responsibilities and functions are to review and provide guidance to the Board and management in respect of the principal financial reporting and audit policies of the Company, including:

- (a) Direct responsibility for the qualification, selection, retention, independence, performance and compensation of the Auditor;
- (b) Direct responsibility for the adoption of an Auditor non-audit services policy and approval of audit and non-audit services;
- (c) Direct responsibility for (i) discussion and recommendation to the Board of audited annual financial statements, including the Annual Report and Accounts and 20-F, (ii) review and approval of quarterly financial statements, (iii) review of financial reporting issues and (iv) preparation of the Committee report included in the Company's annual proxy statement or annual report;
- (d) Reviewing news releases and presentations to analysts, rating agencies, lenders, securityholders or the investment community containing or related to the Company's financial statements, results of operation, financial position, earnings guidance or financial reporting issues;
- (e) Obtaining from the Independent Auditors a formal written statement delineating all relationships between the Auditors and the Company, consistent with the Public Accounting Oversight Board, and actively engaging in a dialogue with the Auditors with respect to any disclosed relationships or non-audit fees and services that may impact the objectivity and independence of the Auditors and taking, or recommending that the full Board take, appropriate action to oversee the independence of the Auditors;
- (f) Reviewing and approving all related-party transactions requiring disclosure under Item 7.B of Form 20-F or in the Annual Report and Accounts;
- (g) Reviewing and evaluating the adequacy and effectiveness of the Company's internal financial, risk and other internal controls and their associated systems;
- (h) Reviewing and evaluating the adequacy and effectiveness of the Company's group-wide insurance programme;
- (i) Monitoring and reviewing the effectiveness of the Company's internal audit function in the context of the Company's overall risk management;
- (j) Reviewing arrangements by which staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters to ensure they provide for proportionate and independent investigation of such matters and for appropriate follow-up action;
- (k) Overseeing investigations referred to in (j) above and receiving reports from management thereon, reporting to the Board thereon as the Committee sees fit, and reserving the right to refer the oversight of such investigations to the Board where the Committee deems appropriate

- (l) Establishing procedures for: (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and (ii) the confidential, anonymous submission by employees of the Company or its subsidiaries of concerns regarding questionable accounting or auditing matters;
- (m) Reviewing the adequacy and effectiveness of the company's policies and controls relating to bribery, money-laundering, data protection and competition; and
- (n) Reviewing other financial reporting or audit issues that the Board or management desires to have reviewed by the Committee.

While the matters set forth in clauses 5(a), (b) and (c) above shall be the exclusive responsibility of the Committee, the Committee should periodically consult with the Board in respect of such matters.

- 6. **Funding.** The Company shall provide for appropriate funding, as determined by the Committee, in its capacity as a Board committee, for payment of:
  - (a) Compensation to any advisers employed by the Committee under section 4(a) above; and
  - (b) Ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
- 7. Evaluation of the Committee
  - (a) The Committee shall, on an annual basis, evaluate its performance. In conducting this review, the Committee shall evaluate whether these Terms of Reference appropriately address the matters that are or should be within its scope and shall recommend such changes as it deems necessary or appropriate. The Committee shall address all matters that the Committee considers relevant to its performance.
  - (b) The Committee shall advise the Board of any recommended amendments to these Terms of Reference and any recommended changes to the Company's or the Board's policies or procedures.

Approved and adopted – 14 November 2019.