

HALMA

Integrity in Business

The Halma Code of Conduct





This Code of Conduct summarises our ethical commitment. It offers guidelines and policies that define how we run our business. It will help deliver consistently high standards of conduct throughout the Group, reinforcing our reputation around the world. We expect our business partners, as well as our employees, to act with similarly high ethical standards.

The Code should help our employees and business partners identify and avoid situations that might violate legislation and best practice. Understanding the relevant laws around the world is not always easy but this Code, encompassing Halma’s policies on Bribery and Corruption, Conflicts of Interest, Insider Dealing and Whistleblowing, covers the major areas. It cannot deal with every circumstance so if it does not give you enough guidance about how to deal with a particular situation, consult your manager, MD, Sector Chief Executive or the Halma Company Secretary.

Compliance with the Code is not only of concern to Halma, the business, but also to each employee. For example, bribery is illegal and will expose the business to prosecution, fines and loss of reputation. However, it could also expose employees personally to penalties including fines and, in extreme cases, even imprisonment.

If you are aware of any employee or operation involved in illegal acts or acting contrary to the Code of Conduct, you must immediately report it to your manager, MD, Sector Chief Executive or the Halma Company Secretary. If you have any concern over how your complaint might be handled by your line manager, please use the Whistleblowing policy (see page 17).

Compliance with the Code is mandatory across the Group worldwide. We all share responsibility for ensuring that individually and collectively we are complying with this Code. I know that I can count on your support and will always do what I can to support you in doing the right thing.

Regards

A handwritten signature in black ink, consisting of a stylized 'A' followed by a horizontal line that ends in a small arrowhead.

Andrew Williams

Chief Executive

CONTENTS



	Page
Introduction to the Halma Code of Conduct	1
Supporting Information	
• Glossary	3
• Additional sources of information	3
Bribery and corruption	
• What is bribery?	4
• Entertainment, gifts and promotional spend	5
• Charitable giving	7
• Political payments and involvement	8
• Facilitation payments	10
• Business relationships	12
• Accuracy of recording and reporting	13
Insider dealing and price sensitive information	14
Conflicts of interest	15
Whistleblowing	
• Principles, policy and guidance	17
• Contact details	20

INTRODUCTION TO THE HALMA CODE OF CONDUCT



What is it?

- The Code sets out the ethical standards that should govern the activities of Halma and its subsidiaries, its employees and its business partners.
- It gives guidance on recognising when and where ethical problems exist and how to avoid them, or what to do if they cannot be avoided.

Why do we need it?

There are three main reasons for having a Code of Conduct:

To raise the profile of ethical issues.

- You need to recognise an ethical problem exists before you can deal with it.
- The Code highlights the main areas where ethical problems occur so that everyone knows what to look out for.

To ensure a consistent response to ethical issues.

- As a business operating in global markets Halma recognises that countries around the world have different local business cultures.
- Because Halma plc is UK based, all of our operations (and their employees) are governed not only by the bribery and corruption laws of the countries where they operate but also by UK legislation, which applies to the worldwide activities of all UK based or UK controlled companies.
- This Code applies to all of our subsidiaries and employees around the world so that, whatever the local business practice, we adopt consistently high ethical standards.

To provide guidance in specific situations.

- The laws and regulations dealing with ethics and corruption around the world are varied and complex and ignorance is no defence.
- Following this Code should mean that legal (and best practice) compliance is achieved consistently.



INTRODUCTION TO THE HALMA CODE OF CONDUCT

(continued)

Who does it apply to?

- It applies to all Halma operations, their officers and employees.
- Halma's business partners need to be made aware of the Code and should apply broadly similar ethical standards in their operations.

Where does it apply?

- Halma operates worldwide and this Code applies to all its worldwide operations.

When does it apply?

- It applies at all times.
- Newly acquired companies will adopt the Code from the date they join Halma.

What happens if someone breaches the Code?

- Non-compliance is a very serious matter. It can lead to civil or criminal sanctions against Halma, its employees and business partners. It can also lead to:
 - Internal disciplinary action for employees, up to and including dismissal.
 - Immediate termination of any agreement with a business partner.

Getting more information or clarification

- Questions on the application of the Code which cannot be resolved locally should be addressed to the Halma Company Secretary (*see page 20 for contact details*).



SUPPORTING INFORMATION

Glossary

Throughout this Code of Conduct you will find certain terms used which have the following meanings:

Halma or Group

Halma plc and any or all of its subsidiaries.

SCE

Sector Chief Executive.

MD

Managing Director.

Associated Person

Someone (an individual or a business) who performs services for or on behalf of Halma. This can include:

- Officers and employees.
- Parent or subsidiary companies.
- Joint ventures.
- Agents, contractors and consultants depending on their contractual terms.

Public Official

A person who either:

- Holds a legislative, administrative or judicial position of any kind, appointed or elected, of a country or territory.
- Exercises a public function for or on behalf of any country or territory, or for or on behalf of any public agency or public enterprise of that country.
- Is an official or agent of a public international organisation, such as the UN.

Additional sources of information

Each section of the Code may have a reference to additional sources of information, usually Halma procedure notes, which expand on the Code. These additional notes are available on the Procedure Notes Portal.

If you do not have Procedure Notes Portal access, copies of the documents can be obtained from your manager or MD.

WHAT IS BRIBERY?



Principles

Bribery is a criminal offence, defined as:

‘the offer, promise or gift of a financial or other advantage, with the intention of inducing or rewarding the improper performance of a function or activity.’

It does not matter if:

- the person offering the bribe is the person who will benefit from the improper performance.
- the person receiving the bribe is the person who will carry out the improper performance.

Policy

The Group, from the Halma plc Board down, has a zero tolerance attitude towards bribery and corrupt practices in all its business dealings. Such practices are never acceptable and will not be tolerated. Therefore:

- You should never accept a bribe.
- You should never seek to influence the actions of a third party toward Halma by offering or paying a bribe.
- You should never ask or authorise an Associated Person or any other business partner to offer or pay a bribe on your behalf.

Guidance

At its most basic level, a bribe is an improper financial payment such as a kickback. However, because a bribe actually involves the offer of an advantage, there are actions beyond a simple payment which might be seen as corrupt. For example:

- Giving or receiving excessive hospitality and gifts (*see page 5*).
- Making inappropriate charitable donations (*see page 7*).
- Making or providing political payments and support (*see page 8*).
- Making facilitation payments (*see page 10*).
- Making payments to intermediaries disproportionate to the service provided (*see page 12*).

Key Questions

You should always consider the reasons underlying any action and if you have any doubts about its legality or purpose, ask yourself these two questions:

- Would I be happy to justify my position if the details of this appeared in a national newspaper?
- Would I be happy if I found out that my main business competitor was doing this?

If the answer to either of these questions is no, then there are clearly concerns and you should seek guidance from your manager, MD, SCE or the Halma Company Secretary before proceeding.

If you have a concern

- Get a better understanding of Group policy by reading the appropriate procedure notes (see additional sources of information below).
- Raise it with your manager, MD, SCE or the Halma Company Secretary.
- If you feel that you cannot talk to them, contact the Expolink Whistleblowing hotline (*see page 17*).

Additional sources of information

Halma Procedure Note E02 ('Anti-bribery and corruption overview') available on the Procedure Notes Portal (*see page 3 for details of how to access*).

ENTERTAINMENT, GIFTS AND PROMOTIONAL SPEND



Principles

Gifts and entertainment are useful for building and maintaining relationships between business partners. However, they may be seen as creating a conflict of interest by placing the recipient under an obligation to the giver, making them more likely to favour the giver in business decisions. This is particularly the case if spend levels are excessive or unreasonable compared to the status of the recipient or to local business customs.

Policy

- You should never directly ask for a gift or hospitality.
- Reasonable gifts, hospitality and other promotional expenditure may be both provided or accepted so long as they:
 - Have a clear business purpose.
 - Are appropriate to the seniority of the recipient and are in line with local business customs.
 - Are not intended to influence the recipient's actions toward the giver.
 - Do not contravene local laws or the recipient's own Code of Conduct.
 - Are visible – properly authorised, recorded and accounted for.

Guidance

There is nothing wrong or inappropriate about giving or receiving small gifts or reasonable entertainment and hospitality - the difficulties come in judging what is appropriate and what is not. Key to this are purpose, value and visibility.

Purpose

- Any gift or hospitality should be seen as a straightforward way of building or maintaining the relationship. If there is any chance it will be perceived as a means of influencing or rewarding the recipient then it should not be offered or accepted. Therefore it is better to avoid giving or receiving gifts or hospitality at key points during negotiations.
- There should be a business purpose to hospitality. Employees from both the giver's and the recipient's organisations should be at any event, otherwise there is no scope for business discussion.

Key questions

If you have any doubts about the legality, purpose, or value of a gift or hospitality, ask yourself these four questions:

- Will it be seen as being intended to influence the recipient's business decision?
- Is it prohibited by local laws or the recipient's Code of Conduct?
- Does the value or nature mean I feel uncomfortable about accepting it?
- Does its value or nature mean that I need my MD's approval before I offer (or accept) it?

If the answer to any of these questions is yes, seek guidance from your manager, MD, SCE or the Halma Company Secretary before proceeding.

If you have a concern

- Get a better understanding of Group policy by reading the appropriate procedure notes (see additional sources of information below).
- Raise it with your manager, MD, SCE or the Halma Company Secretary.
- If you feel that you cannot talk to them, contact the Expolink Whistleblowing hotline (see page 17).

Additional sources of information

The promotional expenditure section of Procedure Note E03 ('Anti-bribery and corruption detailed guidance and registers') available on the Procedure Notes Portal (see page 3 for details of how to access).

ENTERTAINMENT, GIFTS AND PROMOTIONAL SPEND

(continued)



Guidance (continued)

- Hospitality should normally be restricted to employees who have a direct connection to the business purpose of the activity.

Value – reasonable or excessive?

- Gifts should never be cash or cash equivalents.
- Gifts should be small tokens, ideally incorporating some form of marketing message, and should not normally exceed GBP 100 or local currency equivalent in value.
- Entertaining and hospitality should not normally exceed GBP 250 or local currency equivalent per head and the events should not normally last more than a day.
- No-one should receive frequent or multiple gifts or hospitality as a way of exceeding limits.
- Any requirement to pay or accept travel or accommodation expenses must have prior approval from your MD.

Visibility

- Exceeding the above limits for gifts and hospitality, whether giving or receiving, needs the prior approval of your MD, who will also be required to enter the details, including the justification for the item, into a register which will be reviewed by your SCE and by Group staff. Your MD will also be required to sign any expenses claim you make which includes such substantial spend before the claim is settled.
- You should account for the cost of all gifts and entertainment you provide using your company's standard expenses reporting and approval process. You need to make certain the spend is properly analysed and include adequate detail, explanation and justification of the claim.

CHARITABLE GIVING



Principles

Supporting charities is a good and positive thing to do but it is not really part of Halma's corporate role. Rather than making corporate decisions about the merits of worthwhile causes, Halma would rather ensure that its stakeholders receive the best possible rewards so allowing them to individually support their personal interests.

Charitable payments can pose problems if they are seen as a way of channelling funds to reward a third party by supporting their favoured cause.

Policy

The Group has no large-scale charitable giving programme but there is no prohibition on low-level local giving by Halma companies, provided that donations:

- Are small compared to the size of the business, normally less than GBP 250 (or local equivalent).
- Are to a registered charity, or a well-recognised and independent equivalent, whose purpose benefits a wide section of the population rather than a few individuals.
- Are not made in expectation of reward.
- Do not contravene local legislation.

Halma companies are allowed to fund student scholarships as a positive way of interacting with their local community provided that the means of choosing the beneficiary is demonstrably fair and open.

There is no intention to prevent employees continuing to organise their own fund-raising activities and charitable giving programmes. These should continue to be agreed with local management.

Guidance

It is important that there is proper visibility and approval of this type of expense, therefore:

- Charitable donations within the above levels need your MD to sign off the payment.
- Donations that do not meet these criteria must have SCE signoff and be recorded in a register which will be reviewed by Group staff.
- Donations must be properly recorded in the accounting records and correctly shown in financial reports.

Key questions

If you have any doubts about whether a charitable donation is appropriate, ask yourself these questions:

- Am I satisfied that this is a bona fide charity?
- Is the charity independent of any business relationship?
- Is the donation allowed by local legislation?

If the answer to any of these questions is no, then you should not offer the donation without first seeking guidance from your manager, MD, SCE or the Halma Company Secretary.

If you have a concern

- Get a better understanding of Group policy by reading the appropriate procedure notes (see additional sources of information below).
- Raise it with your manager, MD, SCE or the Halma Company Secretary.
- If you feel that you cannot talk to them, contact the Expolink Whistleblowing hotline (see page 17).

Additional sources of information

The charitable giving section of Procedure Note E03 ('Anti-bribery and corruption detailed guidance and registers') available on the Procedure Notes Portal (see page 3 for details of how to access).

POLITICAL PAYMENTS AND INVOLVEMENT



Principles

Halma is a non-political organisation and so supporting local political activity, either by making donations or by other forms of involvement, is difficult to justify. Relationships with politicians and other public officials are also likely to be questioned as to their underlying purpose, especially if the person has influence in areas where the company has activities. However there is a place for proper political lobbying where the intention is to openly convey the Group's views and concerns to policy makers.

Policy

Halma's policy is straightforward:

- There is a total prohibition on political payments of any kind by or on behalf of the Group.
- The use of lobbying organisations to represent Halma's views is permitted provided they are independent and the relationship is properly authorised by your SCE.
- Using politicians or public officials as consultants, or employing them after leaving office, requires careful consideration and authorisation by your SCE before any relationship is agreed.
- You are welcome to participate in your local political process as an individual citizen but you must not involve your employment or company in that participation.

Guidance

A political payment is 'a contribution, in cash or in kind, aimed at supporting a political cause.'

'Political cause' can include:

- A political party (or equivalent).
- Party affiliated organisations.
- Party aligned research and lobby groups.
- Individual politicians.
- Individual candidates.

'Contributions' include:

- Loans, pledges, gifts, dues and subscriptions.
- Fees or tickets for conferences, dinners or other fund-raising events.

Key questions

If you have any doubts about a proposed payment or relationship, ask yourself:

- Is the recipient a political party or cause?
- Is this a relationship with a public or political figure?
- Will this payment or relationship be perceived as a way of seeking undue influence?

If the answer to any of these questions is yes, then you should seek guidance from your manager, MD, SCE or the Halma Company Secretary before making the payment or starting the relationship.

If you have a concern

- Get a better understanding of Group policy by reading the appropriate procedure notes (see additional sources of information below).
- Raise it with your manager, MD, SCE or the Halma Company Secretary.
- If you feel that you cannot talk to them, contact the Expolink Whistleblowing hotline (see page 17).

Additional sources of information

The political payments and involvement section of Procedure Note E03 ('Anti-bribery and corruption detailed guidance and registers') available on the Procedure Notes Portal (see page 3 for details of how to access).

POLITICAL PAYMENTS AND INVOLVEMENT (continued)



Guidance (continued)

- Payment for advertising in publications where the main purpose is fund raising rather than commercial.
- Payments to charities, lobbying firms and other organisations that channel funds to political parties or individuals.
- The provision of services at anything other than a full commercial rate and for bona fide business purposes to political parties or individuals.
- The release (paid or unpaid) of employees to undertake political campaigning work, except where this is required of the employee as a consequence of the local political system in the employee's country and where the release is approved by the employee's SCE or the senior manager overseeing operations in that country.

FACILITATION PAYMENTS



Principles

Facilitation payments are ‘small unofficial payments made to secure or speed up the performance of a routine or necessary action to which the payer already has legal or other entitlement’. These are common in some parts of the world and are not always illegal under local legislation but they are bribes and should not be paid.

They are typically demanded in cash by the recipient (usually a public official) using their official position. Examples are:

- Payments to clear goods through customs.
- Payments to allow entry/exit to/from a country when all documentation is in order.
- Payments to prevent delay to an order.

The definition does not catch official fees and charges, such as document filing fees, or the cost of an enhanced service, for example express visa processing, provided the transaction is open, transparent and supported by an official receipt.

Policy

Facilitation payments are bribes and under the Group’s bribery and corruption policy they are not acceptable. Halma is committed to working, alone and with others, toward their elimination.

They should not be paid by Halma employees and we should not authorise business partners to pay them on behalf of Halma. Halma will support any employee or business partner who refuses to make a facilitation payment.

Guidance

In some countries and sectors these types of payment are widespread. Simply saying that an issue is unacceptable will not make it go away; it requires firm action taken by everyone affected.

You should strongly resist any demand for a facilitation payment and Halma will fully support your actions.

Key questions

If you are travelling to, or doing business in, a country where there is a known problem with facilitation payments, ask yourself:

- Do I adequately know how to resist demands?

If the answer is no you should discuss the position with your manager, MD, SCE or the Halma Company Secretary.

If you have a concern

- Get a better understanding of Group policy by reading the appropriate procedure notes (see additional sources of information below).
- Raise it with your manager, MD, SCE or the Halma Company Secretary.
- If you feel that you cannot talk to them, contact the Expolink Whistleblowing hotline (see page 17).

Additional sources of information

The facilitation payments section of Procedure Note E03 (‘Anti-bribery and corruption detailed guidance and registers’) available on the Procedure Notes Portal (see page 3 for details of how to access).

FACILITATION PAYMENTS (continued)



Guidance (continued)

Use techniques such as:

- Carrying a local language card on business trips stating the company's policy and pointing out that making such payments is against UK law.
- Taking detailed notes of conversations where payments are demanded.
- Asking for written evidence that the payment is officially required.
- Requesting an official receipt for any payment, including details of the recipient's name and identity number.
- Demanding confirmation from the supervisor/manager of the person making the demand.
- Asking to contact your company to discuss the issue and the line to be taken.
- Asking to contact the local embassy/consulate to discuss and report the issue.

If, despite using these techniques, you are still met by the demand and you feel there is a threat of physical violence, loss of liberty, or of some other adverse effect on your personal well-being, you should make the payment. You should then immediately report it to your manager and MD, who will then report it to your SCE and to Group.

Any facilitation payments made, even under duress, should be properly recorded and analysed in your company's financial records and reports.

You should also report any demands that were successfully resisted so that the incidence of these demands can be monitored and successful defence strategies identified.

BUSINESS RELATIONSHIPS



Principles

Halma is involved in many business relationships, from those which are totally arm's length with customers and suppliers to those where a business partner is acting on behalf of Halma, such as with agents, contractors, consultants and other intermediaries – those defined as 'Associated Persons' in the Glossary. Halma could become involved with corruption due to the actions of these business partners, in particular Associated Persons.

Policy

Halma believes that the basic principles of honesty and openness that it adopts in its dealings should also be adopted by its business partners who should be aware of Halma's position as set out in this Code of Conduct.

Business partners should never be asked or authorised to do something on Halma's behalf that is contrary to this Code of Conduct.

All relationships should be governed by a contract, whether it is the straightforward Supplier/Customer relationship covered by Terms of Sale/Purchase, or a more specific contract such as an agency or distributor agreement. Contracts should refer to the Halma Code of Conduct.

Guidance

Before entering into any relationship it makes sense to understand something about the operations involved, particularly with Associated Persons. Therefore it is important that you carry out an appropriate level of investigation or due diligence work to assess their background and identify any concerns. There is a standard procedure for this set out in Procedure Note E04, 'Business relationships and due diligence' (see Additional Sources of Information).

When agreeing any contract, you should pay particular attention to the level of remuneration and the method of payment to ensure that these are in line with normal commercial practice and the level of skill and activity needed.

Key questions

The following are important questions in relation to business relationships:

- Will the business partner be seen as an 'Associated Person', i.e. someone acting on behalf of Halma?
- Has due diligence or anything you know or may have heard highlighted any business or ethical issues with the business partner?
- Is there a formal contract in place defining the relationship?
- Does that contract refer to the Halma Code of Conduct?
- Does the contract include any unusual terms relating to compensation or payment?

If any answer gives you concern you should discuss the position with your manager, MD, SCE or the Halma Company Secretary.

If you have a concern

- Get a better understanding of Group policy by reading the appropriate procedure notes (see additional sources of information below).
- Raise it with your manager, MD, SCE or the Halma Company Secretary.
- If you feel that you cannot talk to them, contact the Expolink Whistleblowing hotline (see page 17).

Additional sources of information

Procedure Note E04 ('Business relationships and due diligence') available on the Procedure Notes Portal (see page 3 for details of how to access).

ACCURACY OF RECORDING AND REPORTING



Principles

The financial and other records of the Group form the basis of both statutory reporting and also the periodic reports used by managers to understand business activity and plan for the future. Errors in recording transactions, for whatever reason, mean that management decisions can be based on an incorrect view of the situation with potentially serious business consequences. Deliberate falsification, often used to try to conceal a corrupt action, may also be fraudulent in its own right and could lead to civil or criminal liabilities, both for the perpetrator and for Halma itself.

Policy

Halma will comply with all laws, regulations and rules relating to record keeping and reporting that apply in each country where it operates. It has policies, procedures and controls, supported by formal reviews and internal audit, to ensure that compliance is achieved.

Guidance

There is never any justification for mis-recording or mis-reporting. Trying to hide wrong-doing in anything but the very short term is unlikely to be successful and, while the consequences of owning up may be considerable, the consequences arising from disclosure of a cover-up are inevitably far worse.

Halma has in place a wide range of policies, procedures, reporting and control processes aimed at ensuring that recording and reporting is accurate and complete. These run from basic items such as standardised documentation, segregation of duties, authority and approval processes through to periodic financial reviews and Internal Audit.

In addition each MD and FD is required to certify each year that they have maintained proper controls over their businesses.

Key questions

The following are important questions in relation to accurate recording and reporting:

- Am I aware of any mis-analysis or mis-recording in my company's records?
- Am I aware of any breakdown in the approval or other control processes?

If the answer to any of these is yes you should discuss the position with your manager, MD, SCE or the Halma Company Secretary.

If you have a concern

- Get a better understanding of Group policy by reading the appropriate procedure notes (see additional sources of information below).
- Raise it with your manager, MD, SCE or the Halma Company Secretary.
- If you feel that you cannot talk to them, contact the Expolink Whistleblowing hotline (see page 17).

Additional sources of information

Various Halma procedure notes available on the Procedure Notes Portal (see page 3 for details of how to access).

INSIDER DEALING AND PRICE SENSITIVE INFORMATION



Principles

The share price of a listed company such as Halma plc is affected by a number of factors, usually associated with its financial and commercial performance. There are times when some employees may have information about that performance which has not yet been announced to the market. This is known as 'price sensitive information' – confidential information that may have an influence on the share price - and the misuse or wrongful disclosure of it is a criminal offence.

Policy

Halma and its employees worldwide will comply with all laws and regulations regarding the control of price sensitive information and restrictions on dealing in shares on the basis of such information.

Price sensitive information is extremely confidential and so anyone in possession of it must not take advantage of it by:

- Dealing in shares affected by it (insider dealing).
- Passing it on to others (improper disclosure).

Guidance

The directors, certain senior executives and employees of Halma (together with persons connected with them) worldwide are restricted in their freedom to deal in Halma plc's securities by the requirements of the UK Listing Authorities Code of Dealing (the Model Code) and by other insider dealing and market abuse legislation.

Halma Procedure Note A12 sets out the details of these restrictions and the approval process that must be followed by directors and senior employees before they are allowed to deal.

If you believe you know something about Halma which might be price sensitive you should keep it confidential but report it to your SCE and the Halma Company Secretary, since there may be a requirement for a market announcement.

Depending on your role, you might also come into possession of price sensitive information about Halma's business partners. If so, you should not pass that information on to anyone else and should not use it for your own personal advantage.

Key questions

The following are important questions in relation to price sensitive information:

- Do I know something about Halma that might affect the Halma plc share price?
- Do I know something about a business partner that might affect the Halma plc share value?

If the answer to either of these is yes you should discuss the position with the Halma Company Secretary, Halma Group FD or Halma CEO before taking any related action.

If you have a concern

- Get a better understanding of Group policy by reading the appropriate procedure notes (see additional sources of information below).
- Raise it with your SCE and the Halma Company Secretary.
- If you feel that you cannot talk to them, contact the Expolink Whistleblowing hotline (see page 17).

Additional sources of information

Procedure Note A12 ('Inside information and dealing restrictions in relation to Halma shares') available on the Procedure Notes Portal (see page 3 for details of how to access).

CONFLICTS OF INTEREST



Principles

A conflict of interest occurs when the judgement of an employee or Associated Person is affected by their external activities or relationships, which may come into direct or indirect conflict with their Halma role or the activities or interests of the Group.

Conflicts of interest should be avoided where possible. If unavoidable they must be disclosed and managed.

Policy

Halma recognises that employees have a right to take part in legitimate financial, business and other activities outside their Group role. However, to the extent that these other activities might affect their ability to carry out their Halma role, or affect (or potentially be perceived by others to affect) their judgement, objectivity or loyalty to the Group, they must be disclosed and potentially terminated.

Guidance

Conflicts are most likely to arise in two areas – other business activities and personal relationships.

Other business activities

- You should disclose any business activity you undertake outside the Group to your MD and SCE and obtain their formal approval if you wish to continue with it.
- You should obtain your MD's and SCE's approval before accepting any position as an officer or director of another business, even as a non-executive director.
- You must not work with, or for, a business that is a competitor, a customer of, or a supplier to, any Halma company.
- You should not have a financial interest in any Halma competitor, customer or supplier (except for normal shareholdings in publicly-listed companies).
- You should not take part in any decision making process involving any Halma company and another business that employs a close family member.

Key questions

The following are important questions in relation to conflicts of interest:

- Do I have to choose between Halma and something/ someone else when making this decision?
- Would disclosing the relationship to my work colleagues cause me embarrassment?
- Is this personal relationship influencing my business decisions?
- Am I recruiting, managing, or appraising a friend or family member?

If the answer to any of these is yes you should discuss the position with your manager, MD, SCE or the Halma Company Secretary.

If you have a concern

- Raise it with your manager, MD, SCE or the Halma Company Secretary.
- If you feel that you cannot talk to them, contact the Expolink Whistleblowing hotline (see page 17).

CONFLICTS OF INTEREST (continued)



Guidance (continued)

Personal relationships

- Open and friendly relationships between colleagues help create a good working environment. However, individual relationships which become too close can lead to a perception of lack of objectivity or preferential treatment, especially if there is an immediate reporting relationship, and are best avoided.
- You should avoid personal relationships that may conflict with your role or position within Halma – for example if you have a buying role within Halma it would be inappropriate for you to have a close personal relationship with someone on the sales team from a major supplier.

Conflicts should be avoided if at all possible, but if they do occur, the key things are:

- Recognise there is a conflict.
- Disclose it to your MD and SCE.
- Withdraw from any decision-making process affected by the conflict.

WHISTLEBLOWING

Principles

All Halma employees and business partners are expected to maintain the highest standards of integrity. If anyone becomes aware of an instance of serious misbehaviour at a Group company then they have a responsibility to help stop it. Serious misbehaviour includes:

- An action which is a criminal offence or breach of a legal obligation.
- An action that leads to a miscarriage of justice.
- An action which compromises the health and safety of any individual.
- An action which causes damage to the environment.
- The deliberate concealment of information about any of the above.

Policy

Halma believes that the correct approach is to raise concerns with the management of the company where the misbehaviour is occurring so that an appropriate local investigation can be carried out.

However, if you have a strong reason for believing you cannot raise the matter locally, or where you believe the local response is insufficient, you should contact the company's SCE or the Halma Company Secretary directly, or make use of the Group's whistleblowing hotline.

Halma is committed to ensuring that anyone raising a concern in good faith does not suffer any victimisation or detriment. It fully endorses and will comply with any local legislation that reinforces that position. However a concern that is raised maliciously or for no good reason may lead to disciplinary action.

Guidance

What is the whistleblowing hotline?

This is an independent service provided by Expolink Limited, one of the major providers of helpline services in Europe. Their expertise will ensure the speed and confidentiality of anything you report.



Additional sources of information

Procedure Note E07 ('Whistleblowing policy and procedure') available on the Procedure Notes Portal (*see page 3 for details of how to access*).

WHISTLEBLOWING (continued)



Guidance (continued)

How do I contact the hotline?

Expolink provide local freephone numbers for most countries or have a reverse charge (call collect) number for countries where freephone numbers are not allowed. The hotline is available 24 hours a day, every day of the year (except Christmas Day).

You can also report concerns via the Expolink website or by clicking on the link on the Halma website. Contact details are shown on page 20.

What happens when I call?

You will talk to one of Expolink's operators who will listen to and take written notes of your concern. The call will not be recorded. Expolink will then securely send a report to the Halma Company Secretary or the Halma Group Finance Director who will ensure that your concern is investigated appropriately.

Do I have to identify myself?

Halma would rather that you did, since this makes investigating the concern and giving feedback easier. However you may choose to raise a concern anonymously, providing this is allowed by the laws of the country where you work.

Will my call be treated confidentially?

Once Expolink have confirmed that Halma plc have received their report they will destroy all records of your call.

Halma plc will maintain the confidentiality of the report as far as is possible but you must be aware that, to carry out a proper investigation, some information may need to be disclosed.

Will I be penalised for raising a concern?

If you raise a concern in good faith you will not be penalised, even if it turns out to be incorrect. However, raising a concern without good reason or maliciously may lead to disciplinary action.

WHISTLEBLOWING (continued)



Guidance (continued)

How do I get feedback on my concern?

As part of the hotline conversation the Expolink operator will ask if you want to receive feedback. If so they will give you a security code and ask that you call back in 4 weeks, quoting the code, at which time they will be able to update you on progress. The 4 week delay is to allow time for a proper investigation to be carried out.

CONTACT DETAILS

Halma

Halma Company Secretary Tel: +44 (0)1494 721111
 Fax: +44(0)1494 728032
 Email: cosec@halma.com

Halma website www.halma.com



Expolink

Country	Freephone Number
Australia	1800 121 889
Belgium	0800 71025
Brazil	0800 891 8807
Canada	1888 268 5816
China China (alternative)	10800 852 2112 10800 152 2112
Czech Republic	800 142 428
France	0800 900240
Germany	0800 182 3246
India	000 800 440 1286
Netherlands	0800 022 9026
New Zealand	0800 443 816
Russia	810 800 260 81044
Singapore	800 4411 140
Spain	900 944401
Switzerland	0800 563823
United Kingdom	0800 374199
UAE (United Arab Emirates)	8000 44 138 73
USA	1877 533 5310

Calls from mobile phones are not free and charges will vary depending on your provider.

Collect Call Number Tel: +44 (0)1249 661 808

Expolink website (background) www.expolink.co.uk
 Expolink (Halma Hotline link) www.expolink.co.uk/halma



Halma Code of Conduct

I acknowledge that I have received and read a copy of the Halma Code of Conduct.

I understand the importance of the Code as a way of communicating Halma's commitment to ethical business activity and agree to comply with the Code's requirements at all times.

Name:

Company:

Position:

Signed:

Date: