

**Halma plc**  
**Terms of Reference – Nomination Committee**

*Reference to “the Committee” shall mean the Nomination Committee.*

*Reference to “the Board” shall mean the Board of Directors.*

*Reference to “the UK Corporate Governance Code” or “the Code” shall mean the 2018 UK Corporate Governance Code, and for financial years beginning on or after 1 January 2025, the 2024 UK Corporate Governance Code.*

**1. Role**

The role of the Committee is to:

- 1.1. Ensure that there is a formal, rigorous and transparent procedure for appointments to the Board, to lead the process for appointments and make recommendations to the Board.
- 1.2. Assist the Board in ensuring its composition is regularly reviewed and refreshed, taking into account the length of service of the Board as a whole, so that it is effective and able to operate in the best interests of shareholders.
- 1.3. Ensure plans are in place for orderly succession to positions on the Board and the executive committee and oversee the development of a diverse pipeline for succession.
- 1.4. Work and liaise with other Board committees, as appropriate, including the remuneration committee in respect of any remuneration package to be offered to any new appointee of the Board.

**2. Membership**

- 2.1. Members of the Committee shall be appointed by the Board and shall be made up of least three members, the majority of whom should be independent non-executive Directors.
- 2.2. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the other non-executive Directors and external advisers may be invited to attend for all or part of any meeting, as and when appropriate.
- 2.3. Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three-year periods provided that the majority of the Committee members remain independent.
- 2.4. The Board shall appoint the Committee Chair, who should be either the Chair of the Board or an independent non-executive Director. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting. The Chair of the Board shall not chair the Committee when it is dealing with the Chair of the Board’s succession.

The Committee Chair shall review membership of the Committee annually, as part of the annual performance evaluation of the Committee.

### **3. Secretary**

- 3.1. The Company Secretary or their nominee shall act as the Secretary of the Committee and provide all necessary support to the Committee, including minuting meetings and ensuring that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the relevant issues.

### **4. Quorum**

- 4.1. The quorum necessary for the transaction of business shall be two members, both of whom must be independent non-executive Directors, and present in person or by audio or video conference. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

### **5. Frequency of Meetings**

- 5.1. The Committee shall meet at least once annually and at such times as the Chair of the Committee shall require.

### **6. Notice of Meetings**

- 6.1. Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Chair of the Committee.
- 6.2. Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive Directors, no later than five days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.
- 6.3. Notices, agendas and supporting papers can be sent in electronic form.

### **7. Voting arrangements**

- 7.1. Subject to paragraphs 7.2 and 7.3, each Committee member shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a Committee meeting (whether in person, by audio or video conference).
- 7.2. If a matter that is considered by the Committee is one where a Committee member, either directly or indirectly, has a personal interest on an item of business, that member shall not be permitted to vote on that item.
- 7.3. Except where he or she has a personal interest, the Committee Chair shall have a casting vote.
- 7.4. The Committee Chair may ask any attendees of a Committee meeting to leave the meeting to allow discussions of matters relating to them.

### **8. Minutes of Meetings**

- 8.1. The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

- 8.2. The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 8.3. Minutes of Committee meetings shall be agreed with the Committee Chair and then circulated to all members of the Committee and, once agreed, to all other members of the Board, unless a conflict of interest exists.
- 8.4. A resolution in writing and signed by all Committee members will be as effective as a resolution passed at a Committee meeting. Any written resolution shall be tabled and noted at the next meeting of the Committee.

## **9. Annual General Meeting**

- 9.1. The Chair of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

## **10. Duties**

The Committee shall carry out the following duties for the Company, major subsidiary undertakings and the Group as a whole, as appropriate and advise the Board appropriately:

### **10.1. Composition of the Board and Senior Management**

- 10.1.1. regularly review the structure, size and composition (including the skills, knowledge, independence, diversity and experience) required of the Board and its Committees, taking into account the Company's strategic priorities and the matters affecting the Company in paragraph 10.1.3, and make recommendations to the Board with regard to any changes that are deemed necessary;
- 10.1.2. keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
- 10.1.3. keep up to date and fully informed about the strategic and commercial changes, priorities, main trends and factors affecting the long-term success and future viability of the Company and the market in which it operates;
- 10.1.4. set measurable objectives and targets for diversity, equal opportunity and inclusion in relation to the Board and senior management positions, approve the policy on diversity, equal opportunity and inclusion on the Board and in senior management.
- 10.1.5. give full consideration to succession planning for Directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Company, and what skills and expertise are therefore needed on the Board in the future;
- 10.1.6. be responsible for identifying and nominating for the approval of the Board, candidates from diverse backgrounds to fill Board vacancies as and when they arise;

- 10.1.7. before making an appointment, evaluate the balance of skills, knowledge, diversity and experience on the Board, and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates, the Committee shall:
  - 10.1.7.1 use open advertising or the services of external advisers to facilitate the search;
  - 10.1.7.2 consider candidates from a wide range of backgrounds; and
  - 10.1.7.3 consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position;
- 10.1.8. review annually the time required from non-executive Directors. Performance evaluation should be used to assess whether the non-executive Directors are spending enough time to fulfil their duties; and
- 10.1.9. ensure that on appointment to the Board, non-executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board meetings.

The Committee shall also make recommendations to the Board concerning:

## **10.2. Succession Planning and Appointments to the Board**

- 10.2.1. plans for succession for both executive and non-executive Directors and in particular for the key roles of Chair and Chief Executive, based on merit and objective criteria and taking into account the challenges and opportunities facing the Company, the skills, experience, independence, knowledge and diversity needed on the Board in the future, the length of service of the Board as a whole and the need for its membership to be regularly refreshed;
- 10.2.2. plans are in place for orderly succession for appointments to the Board and senior management;
- 10.2.3. the development of a diverse pipeline for succession, having regard to diversity of gender, social and ethnic backgrounds, cognitive and personal strengths;
- 10.2.4. identifying and nominating for the Board's approval candidates from diverse backgrounds to fill Board vacancies as and when they arise;
- 10.2.5. identifying suitable candidates for the role of Senior Independent Director;
- 10.2.6. membership of the Audit and Remuneration Committees, in consultation with the chairs of those committees;
- 10.2.7. Propose changes to the succession planning process if the Committee's periodic assessment of the process indicates that the desired outcome has not been achieved.

- 10.2.8. the re-appointment of any non-executive Director at the conclusion of their specified term of office, proposals for their dismissal, retirement, non-appointment or any substantial changes in their duties or responsibilities or the term of their appointment, having given due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;
- 10.2.9. the continuation (or not) in service of any Director who has reached the age of 70;
- 10.2.10. the re-election by shareholders of any Director in accordance with Provision 18 of the UK Corporate Governance Code for annual re-election or the 'retirement by rotation' provisions in the Company's articles of association, having due regard to their performance and ability to continue to contribute to the Board and the Company's long-term sustainable success, in the light of the knowledge, skills and experience required and the length of service of the Board as a whole and its membership being regularly refreshed;
- 10.2.11. the evaluation of the balance of skills, experience, independence, knowledge and diversity on the Board, and the future challenges affecting the Company, and, in light of this evaluation, prepare a description of the role and capabilities required for a particular appointment and set the process to identify, sift and interview suitable candidates. In identifying suitable candidates, the Committee shall:
  - 10.2.11.1. use such methods as it deems appropriate, including the use of open advertising or the services of external advisers to facilitate the search;
  - 10.2.11.2. consider candidates from diverse backgrounds;
  - 10.2.11.3. consider candidates on merit, against objective criteria and with due regard for promoting the benefits of diversity on the Board, including of gender, social and ethnic backgrounds, and cognitive and personal strengths, taking care that appointees have enough time available to devote to the position;
- 10.2.12. for the appointment of a Chair, prepare a job specification, including the time commitment expected;
- 10.2.13. before appointment, require proposed appointees, including the Chair, to disclose other significant commitments to the Board indicating the time involved;
- 10.2.14. ensure that on appointment to the Board, non-executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service, involvement outside Board meetings and the induction process;
- 10.2.15. keep under review the number of external appointments held by each director;
- 10.2.16. any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an executive Director as an

employee of the Company subject to the provisions of the law and their service contract; and

- 10.2.17. the appointment of any Director to executive or other office other than to the positions of Chair and Chief Executive, the recommendation for which would be considered at a meeting of the full Board.

### **10.3. Induction and Training**

- 10.3.1. ensure that all new directors undertake an appropriate induction programme to ensure that they are fully informed about the Company's business model, its purpose and values, its strategy, risk management and internal controls framework and principal risks of the Company, main areas of business activity and the strategic priorities and commercial issues affecting the Company and the markets in which it operates as well as their duties and responsibilities as a director; and
- 10.3.2. consider any training requirements for the Board as a whole.

### **10.4. Conflicts of interest**

- 10.4.1. before appointment of a director, require the proposed appointee to disclose any other business interests that may result in a conflict of interest and to report any future business interests that could result in a conflict of interest, noting that such business interests must not be undertaken without prior approval by the Board;
- 10.4.2. consider and, if appropriate, authorise situational conflicts of interest of directors and potential directors;
- 10.4.3. keep under review at least annually, potential conflicts of interests of directors disclosed to the Company and develop appropriate processes for managing such conflicts if the Committee considers this to be necessary; and
- 10.4.4. at all times take care to minimise the risk of any conflict of interest within the Committee that might be seen to give rise to an unacceptable influence.

### **10.5. Board evaluation**

- 10.5.1. assist the Chair and the Senior Independent Director with the implementation of an annual evaluation process to assess the overall and individual performance and effectiveness of the Board and its Committees, including consideration of balance of skills, experience, independence and knowledge of the Company, its diversity, how the Board works together as a unit, and other factors relevant to the Board's effectiveness;
- 10.5.2. review the results of the Board performance evaluation process that relate to the composition of the Board, its diversity and how effectively the members of the Board work together to achieve objectives and the results of the performance evaluation of the Committee;
- 10.5.3. ensure that evaluation of the Board is externally facilitated at least every three years; and

- 10.5.4. review annually the time required from non-executive Directors, including the Chair and Senior Independent Director. Performance evaluation should be used to assess whether the non-executive Directors are spending enough time to fulfil their duties.

## **11. Reporting Responsibilities**

- 11.1. The Committee Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 11.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 11.3. The Committee shall make a statement in the annual report about its activities, including any matters required by the Disclosure Guidance and Transparency Rules published by the Financial Conduct Authority and describing its work, including:
  - 11.3.1. its activities, the membership of the Committee, number of meetings and attendance over the course of the year;
  - 11.3.2. the process used in relation to appointments, its approach to succession planning and how both support developing a diverse pipeline;
  - 11.3.3. identifying in the annual report any external search consultancy that has been engaged, together with a statement about any other connection it has with the Company or individual directors;
  - 11.3.4. how the Board evaluation has been conducted, the nature and extent of an external evaluator's contact with the Board and individual directors, the outcomes and actions taken, and its influence on Board composition; and
  - 11.3.5. identifying in the annual report any external evaluator together with a statement about any other connection it has with the Company or individual directors.
- 11.4. The annual report referred to in 11.3 above should include a statement of the Board's policy on diversity and inclusion, its objectives and linkage to Company strategy, how it has been implemented and progress on achieving the objectives; and the gender balance of those in senior management and their direct reports;
- 11.5. Ensure, through the Chair of the Board, that the Company maintains contact and the Committee chair seeks engagement, as required, with the Company's major shareholders on significant matters related to the Committee's areas of responsibility; and
- 11.6. Make publicly available the Committee's terms of reference by placing them on the Company's website.

## **12. Other**

The Committee shall:

- 12.1. Periodically review its own performance, and at least once a year, 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;

- 12.2. Have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required;
- 12.3. Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members; and
- 12.4. Give due consideration to laws and regulations, in particular the directors duties contained in the Companies Act 2006, the provisions of the UK Corporate Governance Code and the requirements of the UK Listing Authority's Listing, Prospectus Rules and Disclosure Guidance and Transparency Rules and any other applicable rules, as appropriate.

### **13. Authority**

The Committee is authorised to:

- 13.1. Seek any information it requires from any employee of the Company in order to perform its duties;
- 13.2. Obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference;
- 13.3. Call any employee to be questioned at a meeting of the Committee as and when required; and
- 13.4. 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.