

# HALEON PLC

## NOMINATIONS & GOVERNANCE COMMITTEE TERMS OF REFERENCE

### 1. Role

The Nominations and Governance Committee (the “Committee”) is a committee of the Board (the “Board”) of Haleon plc (the “Company”) from which it derives its authority and to which it reports on a regular basis.

The role of the Committee is to lead the process for appointments to the Board and make recommendations as appropriate; to ensure plans are in place for orderly succession to both the Board and senior management positions, and oversee the development of a diverse pipeline for succession. The Committee also has a role to ensure that the Company is managed to high standards of corporate governance.

### 2. Membership

- (a) The Committee shall comprise at least three members, a majority of whom shall be independent Non-Executive Directors as determined by the Board.
- (b) Only members of the Committee have the right to attend Committee meetings. Any other person may attend from time to time at the invitation of the Committee Chair.
- (c) 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 at a Committee meeting, the remaining members present shall elect one of themselves to chair the meeting. The Chair of the Board shall not chair the Committee when it is discussing the Chair’s succession or performance.

### 3. Quorum

The quorum of the Committee will be two members, both of whom must be independent Non-Executive Directors.

### 4. Secretary

The Company Secretary, or their nominee, shall act as secretary of the Committee (the “Secretary”) 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.

### 5. Meetings

- (a) The Committee shall meet at least twice a year and otherwise as required.
- (b) The Secretary shall minute the proceedings and decisions of all Committee meetings.

### 6. Engagement with Shareholders

The Committee Chair should attend the annual general meeting to answer any shareholder questions on the Committee’s activities. In addition, the Committee Chair should seek engagement with shareholders on significant matters related to the Committee’s areas of responsibility as appropriate.

## **7. Responsibilities**

The Committee shall:

### **7.1 Board Composition and Succession Planning**

- (a) Review regularly the structure, size and composition, including the skills, knowledge, experience and diversity (including of gender, social and ethnic backgrounds and cognitive and personal strengths) of the Board and its Committees and make recommendations to the Board with regard to any changes.
- (b) Ensure plans are in place for orderly succession of the Board and its Committees. Oversee the development of a diverse pipeline for succession over the longer term, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future.
- (c) Review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to deliver its purpose and strategy.
- (d) Review management's succession plans for key senior leadership positions in the Company, giving full consideration to the challenges and opportunities facing the Company and the skills and expertise needed in the future, ensuring that these are based on merit and objective criteria and promote diversity of gender, social and ethnic background, and cognitive and personal strengths.

### **7.2 Appointments to the Board**

- (a) Develop and apply a formal, rigorous and transparent procedure for Board appointments.
- (b) Identify and nominate for approval by the Board candidates to fill Board and committee vacancies as and when they arise. Before any appointment is made, evaluate the balance of skills, knowledge, experience and diversity on the Board and prepare a description of the role and capabilities required and the time commitment expected.
- (c) Review and recommend to the Board any matters relating to the continuation in office of any director at any time.
- (d) Recommend to the Board as appropriate the re-election by shareholders of all Board directors under the annual re-election provisions of the UK Corporate Governance Code or the retirement by rotation provisions in the Company's articles of association. In doing so have due regard to each director's performance, ability, and why their contribution is important to the Company's long-term sustainable success in the light of the skills, experience and knowledge required and the need for progressive refreshing of the Board, taking into account the length of service of individual Directors, the Chair and the Board as a whole. Recommendations in relation to the Chair will consider the performance of the Chair led by the Senior Independent Director who will also provide feedback to the Chair.
- (e) Recommend to the Board 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 applicable law and the terms of their service contract.
- (f) Ensure that, prior to the appointment of a Director, the proposed appointee discloses other significant time commitments and is aware of their responsibility not to undertake any additional future external appointments without prior approval of the Board. The proposed

appointee should also be required to disclose any other business interests that may result in a conflict of interest. These must be authorised by the Board prior to appointment and any future business interests that could result in a conflict of interest must not be undertaken without prior authorisation of the Board. The Committee should review annually the time required from Non-Executive Directors. The annual performance evaluation should be used to assess whether the Non-Executive Directors are spending enough time to fulfil their duties.

- (g) 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.

### **7.3 Governance**

- (a) Monitor, consider and recommend such changes to the terms of reference of the Board and any of its committees and the Company's Corporate Governance framework as are necessary or desirable to ensure the Company's continued compliance with applicable corporate governance standards, legal, regulatory and listing requirements and emerging best practice.
- (b) Review and recommend the Board diversity policy for Board approval.
- (e) Review and recommend the Company's Code of Conduct for Board approval.
- (c) Recommend the appointment of an independent Non-Executive Director as the whistleblowing champion.
- (d) Determine the appropriate mechanism for engaging with the Company's workforce and make recommendations to the Board.
- (e) Conduct an annual review of the Conflicts of Interest Register and review any disclosure relating to conflicts of interest to be made public.
- (f) Ensure an annual performance evaluation of the effectiveness of the Board, its committees and the contribution of each Director, with the results being reported to the Board; such evaluation to be externally facilitated at least once every three years. Review the results of the Board performance evaluation that relate to the composition of the Board, its diversity, strengths and weaknesses and how effectively members work together to achieve objectives, as well as succession planning. Periodically review progress against the action plans arising from the Board effectiveness review.

### **8. Reporting**

- (a) The Committee Chair shall keep the Board informed of Committee activity and engage with the Board as appropriate on key decisions.
- (b) The Committee shall produce a report to be included in the Company's annual report describing the work of the Committee, including:
  - (i) the process used in relation to appointments, its approach to succession planning and how both support the development of a diverse pipeline. If an external search consultancy has been engaged, it should be identified in the annual report alongside a statement about any other connection it has with the company or individual Directors;
  - (ii) 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 how it has influenced or will influence Board composition;
- (iii) the Board's policy on diversity and inclusion, its objectives and linkage to the Company's strategy, how it has been implemented and progress on achieving the objectives; and
  - (iv) the gender balance of those in the senior management team and their direct reports.

## 9. 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 FCA'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) 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.
- (c) 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.
- (d) The Committee shall 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.
- (e) The Committee is authorised (at the Company's expense) to take professional advice as necessary and in particular from the Company's external auditor, brokers and legal advisers.

<b>Approved by the Board on:</b>	23.05.2022
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