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HALEON

# Board Terms of Reference

Issued December 2024

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<b>Chair</b>	<p>The Chair shall be appointed by the Board.</p> <p>In the absence of the Chair, the Senior Independent Director shall chair the meeting, failing which the Directors shall elect one of the Independent Non-Executive Directors present to chair the meeting.</p>
<b>Members</b>	<p>The Board will comprise a mix of individuals with an appropriate balance of skills, knowledge, independence and experience, promoting diversity and inclusion.</p> <p>All directors are subject to annual re-election at each Annual General Meeting. Tenure of individual directors will be based on contribution, continued evidence of the exercise of independent judgement and alignment of the skills and capabilities of the Director with the strategic direction of the company.</p> <p>Over half of the Directors, excluding the Chair, will comprise non-executive directors who are determined by the Board to be independent in character and judgement and free from any business or other relationship or circumstance which could materially interfere with the exercise of their judgement.</p> <p>The Board will be of a size that enables the full engagement of all the Directors, and will not exceed the limit outlined in the Company’s Articles of Association.</p>
<b>Attendees</b>	<p>Only Board Directors have the right to attend Board meetings.</p> <p>Any other person may be invited to attend meetings on a regular basis or from time to time as determined by the Chair and Company Secretary.</p>
<b>Meetings</b>	<p>There shall be a minimum of five Board meetings a year.</p>
<b>Agendas</b>	<p>The agenda will be set by the Chair in consultation with the Chief Executive Officer (CEO) and with the support of the Company Secretary. The Chair will engage with the Directors in order to determine the key items for the Board’s consideration.</p>
<b>Company Secretary</b>	<p>Directors will have access to the advice and services of the Company Secretary and the Company Secretary is responsible for advising the Board and its Committees on all corporate governance matters, including (a) Board procedures, (b) applicable laws and regulations for the conduct of the affairs of the Board and (c) all other matters associated with the maintenance of the Board or otherwise required for its efficient operation.</p> <p>The Company Secretary, or their nominee, will ensure that the Board 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.</p>
<b>Independent Advice</b>	<p>Each director is entitled to obtain independent professional advice where the Director judges it necessary to discharge their responsibility as a Director of the Company. Where independent advice is to be sought, the Director will first discuss it with the Chair, the Senior Independent Director, or the Company Secretary (as appropriate).</p>
<b>Conflict with the Articles</b>	<p>These Terms of Reference should be read alongside the Articles of Association and to the extent there is any conflict the Articles of Association shall take precedence.</p>
<b>Delegation of Authority</b>	<p>The Board may delegate to a sub-committee of the Board certain matters it considers necessary as required from time to time.</p> <p>Implementation of the strategy established and approved by the Board is delegated to the Chief Executive Officer (operating within the financial delegations set out in the Grant of Authority) in accordance with the objectives, risk appetite and policies set by the Board from time to time, with the exception of the following matters which require consideration by the Board.</p>

<b>Matters Reserved for the Board</b>	
<p>The Board has reserved the following matters for its direct stewardship and decision making in conjunction with the Audit &amp; Risk, Remuneration, Environmental &amp; Social Sustainability, and Nominations &amp; Governance Committees and any other committee appointed by the Board.</p>	
<p><b>1. Strategic Management</b></p>	<ul style="list-style-type: none"> <li>a) Overseeing the Company’s purpose, values and overall strategy, including its long-term objectives.</li> <li>b) assessing and monitoring the Company’s culture to ensure that behaviours, policies and practices are aligned with the Company’s purpose, values and strategy.</li> <li>c) Approving any significant changes to the Company’s overall strategic direction, including extending the business into new areas of operation or new geographical locations and participation in any major strategic alliance or joint venture.</li> <li>d) Approving annually a strategic plan and objectives for the Company.</li> <li>e) Approving any decision to cease to operate all or any material part of the Company’s business.</li> <li>f) Approving the Company’s annual operating and capital expenditure budgets and any material changes to them.</li> <li>g) Reviewing the Company’s performance compared to its strategic objectives, plans and budgets and approving corrective action.</li> <li>h) Overseeing the Company’s operations ensuring: competent and prudent management; sound planning; maintenance of sound management and internal control systems; adequate accounting and other records; and compliance with statutory and regulatory obligations.</li> </ul>
<p><b>2. Structure &amp; Capital</b></p>	<ul style="list-style-type: none"> <li>a) Approving material changes to the Company’s capital structure, including share issuances (other than in relation to employee share plans), share sub-divisions and consolidations, capital reductions, share buy-backs and the use of treasury shares.</li> <li>b) Approving material changes to the Company’s corporate structure, and its management and control structure.</li> <li>c) Approving the Company’s treasury policy.</li> <li>d) Approving any changes to the Company’s stock exchange listings or its status as a public limited company.</li> </ul>
<p><b>3. Financial Reporting &amp; Controls</b></p>	<ul style="list-style-type: none"> <li>a) Approving interim and preliminary announcements relating to quarterly trading results, and any necessary unscheduled financial statements.</li> <li>b) Approving the Annual Report and Accounts and Form 20-F, including the corporate governance statements and the Directors’ Remuneration Report.</li> <li>c) Approving the dividend policy and approval and declaration of interim dividends and recommendation of final dividends to shareholders.</li> <li>d) Approving major changes to the rules or funding of the Company’s pension schemes</li> <li>e) Approving material unbudgeted capital or operating expenditures (outside pre-determined tolerances).</li> <li>f) Following recommendation by the Audit &amp; Risk Committee:                         <ul style="list-style-type: none"> <li>(i) Approving the Management Representation Letter to the external auditor,</li> <li>(ii) Approving material changes in accounting policies or practices</li> <li>(iii) Recommending to shareholders the appointment or removal of the external auditor.</li> </ul> </li> </ul>
<p><b>4. Risk Management &amp; Internal Controls</b></p>	<ul style="list-style-type: none"> <li>a) Approving the significant risks the Company is willing to take to achieve its strategic objectives, following recommendation from the Audit &amp; Risk Committee.</li> <li>b) Assessing the Company’s principal and emerging risks and opportunities.</li> <li>c) Ensuring maintenance of a sound system of internal control and risk management including:</li> </ul>

	<ul style="list-style-type: none"> <li>(i) approving the Company's risk appetite statements;</li> <li>(ii) receiving reports on, and maintaining oversight of the effectiveness of, the Company's risk and control processes to support its strategy and objectives;</li> <li>(iii) approving procedures for the detection of fraud and the prevention of bribery;</li> <li>(iv) undertaking an annual assessment of these processes; and</li> <li>(v) approving an appropriate statement from the Audit &amp; Risk Committee for inclusion in the Annual Report and Accounts and Form 20-F.</li> </ul>
<p><b>5. Contracts &amp; Major Transactions*</b></p> <p><small>*To be considered in conjunction with the Group Delegation of Authority</small></p>	<ul style="list-style-type: none"> <li>a) Approving significant capital expenditure projects and transactions with a value of more than £75 million.</li> <li>b) Approving any merger, joint venture, acquisition or disposal of an interest of 5% or more in the voting shares or securities of any company or where any such transaction has a value of more than of £50 million.</li> <li>c) Approving any other business development transactions with a value of more than £75 million.</li> <li>d) Approving contracts, purchases or other commitments with a lifetime value of more than £75 million.</li> <li>e) Approving any transaction which, for the purposes of the Financial Conduct Authority's UK Listing Rules, constitutes a Significant transaction, or a related party transaction.</li> </ul>
<p><b>6. Engagement with shareholders, employees &amp; other stakeholders</b></p>	<ul style="list-style-type: none"> <li>a) Ensuring effective engagement with, and encouraging participation from, shareholders and other stakeholders.</li> <li>b) Approving all shareholder circulars, resolutions and corresponding documentation to be put to shareholders at a general meeting.</li> <li>c) Approving all prospectuses and listing particulars (save that approval of routine documents such as periodic circulars about scrip dividend procedures or exercise of conversion rights may be delegated to a committee).</li> <li>d) Approving press releases concerning matters decided by the Board.</li> </ul>
<p><b>7. Board Membership &amp; Other Major Appointments</b></p>	<p>Following recommendation by the Nominations &amp; Governance Committee:</p> <ul style="list-style-type: none"> <li>a) Approving changes to the overall structure, size and composition of the Board.</li> <li>b) Ensuring adequate succession planning for the Board, Haleon Executive Team and other senior management.</li> <li>c) Approving appointments to and terminations from the Board.</li> <li>d) Approving the appointment of the Board Chair and Senior Independent Director.</li> <li>e) Approving the continuation in office of Directors as appropriate and the recommendation to shareholders of their election or re-election.</li> <li>f) Approving the membership and Chairs of Board committees.</li> <li>g) Approving the appointment and removal of the Company Secretary.</li> </ul>
<p><b>8. Remuneration</b></p>	<p>Following recommendation by the Remuneration Committee:</p> <ul style="list-style-type: none"> <li>a) Determining the remuneration of Non-Executive Directors, subject to the Articles of Association and shareholder approval, as appropriate.</li> <li>b) Approving the introduction and design of new share incentive plans and long-term incentive arrangements, and any material changes to them, to be recommended to shareholders for approval.</li> </ul>
<p><b>9. Corporate Governance</b></p>	<ul style="list-style-type: none"> <li>a) Approving the division of responsibilities between the Board Chair, Chief Executive Officer, Senior Independent Director and other Executive Directors.</li> <li>b) Establishing the Board Committees.</li> <li>c) Approving the Terms of Reference of the Board and its Committees, following recommendation from the Nomination and Governance Committee.</li> <li>d) Receiving reports from Board Committees on their activities.</li> </ul>

	<ul style="list-style-type: none"> <li>e) Approving the Financial Expert on the Audit &amp; Risk Committee, following recommendation from the Nomination and Governance Committee.</li> <li>f) Approving material changes to the Company’s corporate governance arrangements.</li> <li>g) Approving the Board Diversity &amp; Inclusion policy.</li> <li>h) Approving the Company’s delegated levels of authority, including the Chief Executive Officer's authority limits (which must be in writing).</li> <li>i) Reviewing the performance of the Board, its Committees and individual Directors (in conjunction with any external evaluators appointed by the Board in accordance with the UK Corporate Governance Code).</li> <li>j) Determining the independence of Non-Executive Directors.</li> <li>k) Reviewing Directors’ external appointments and conflicts of interest, authorising them as appropriate.</li> <li>l) Reviewing reports on the views of the Company’s shareholders and other key stakeholders.</li> <li>m) Approving the Company’s Code of Conduct.</li> </ul>
<p><b>10. Responsible Business</b></p>	<ul style="list-style-type: none"> <li>a) Approving the strategy and targets to minimize the impact of business activities on the environment.</li> <li>b) Following recommendation by the Environmental &amp; Social Sustainability Committee, approving the: <ul style="list-style-type: none"> <li>(i) Responsible Business Report</li> <li>(ii) Corporate Sustainability Responsibility (CSR)</li> <li>(iii) Climate Action Transition Plan</li> <li>(iv) Human Rights Statement</li> </ul> </li> <li>c) Approving the Company’s approach to employee engagement, diversity and inclusion, employee health and safety, wellbeing and development, and keeping that approach under review so that it remains effective.</li> <li>d) Approving the approach to community giving and charitable donations.</li> </ul>
<p><b>11. Other Matters</b></p>	<ul style="list-style-type: none"> <li>a) Approving political expenditure, subject to shareholder approval.</li> <li>b) Approving the appointment of the Company’s principal professional advisors.</li> <li>c) Overseeing the prosecution, defence or settlement of material litigation and regulatory investigations.</li> <li>d) Overseeing Directors’ and Officers’ liability insurance.</li> <li>e) Approving any decision likely to have a material impact on the Company from any perspective, including, but not limited to, financial, operational, strategic or reputational.</li> </ul>

Approved by the Board on 4 December 2024.