



# Haleon plc Governance Framework

Issued December 2024



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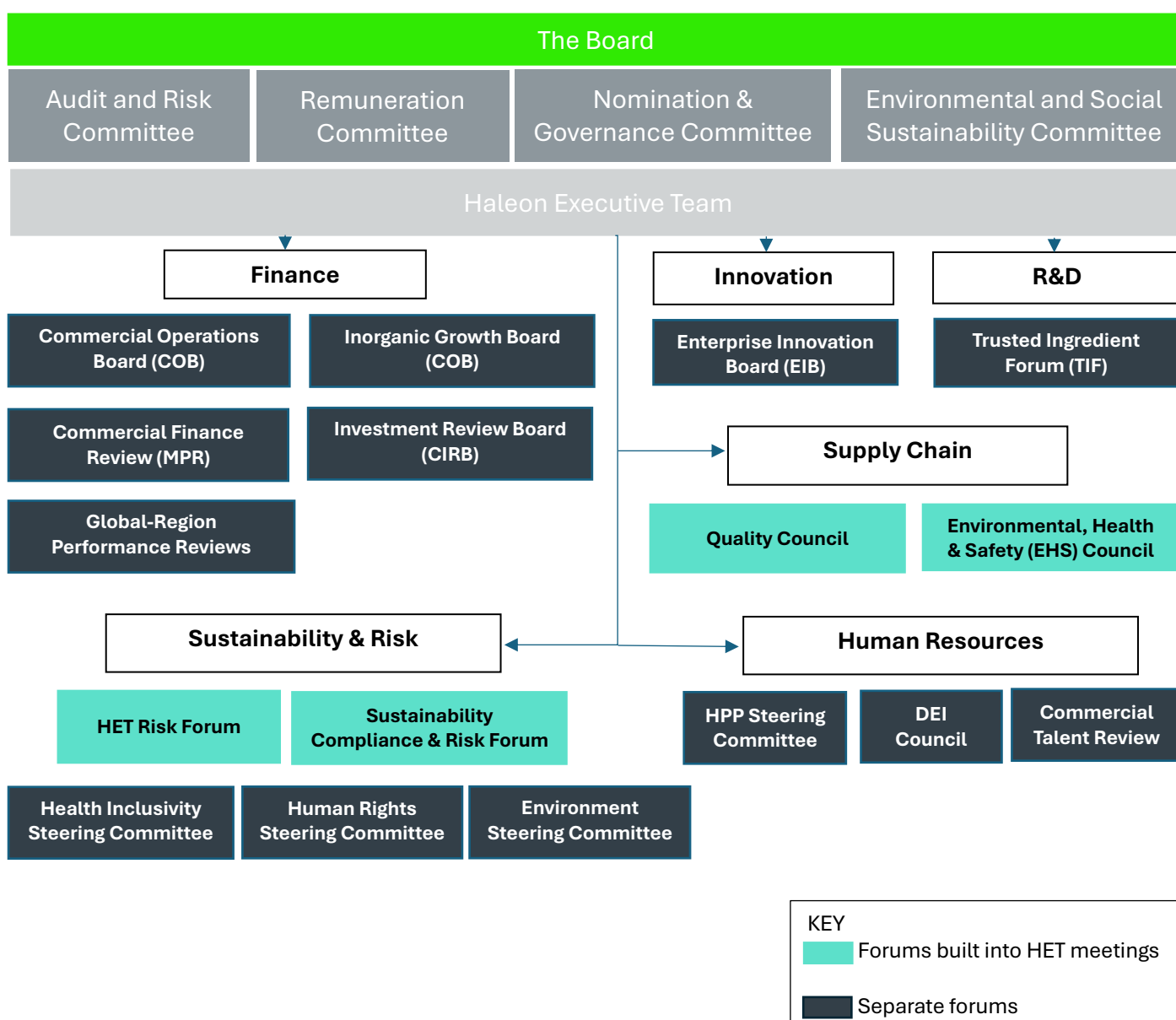
## Introduction

This document sets out the governance framework for Haleon plc's Board of Directors and its Committees. It includes our Board and Committee structure, the roles and responsibilities of the Board and its Committees, and their respective Terms of Reference. Designed to promote effective leadership, robust oversight, and sustainable success, this framework aligns with the UK Corporate Governance Code and relevant legal requirements. It serves as a key reference for directors, senior management, and stakeholders, providing clarity on how key decisions are made at Haleon. The Board regularly reviews this framework to ensure it remains fit for purpose and reflects current best practices in corporate governance.

## Board and Committee Structure

The principal decision-making body is the board. It has responsibility for setting the strategic direction of Haleon plc (the “Company” or “Haleon”) and for ensuring that risk is managed effectively. The board is accountable to shareholders for the Company’s financial and operational performance. It is supported by four committees: the Audit & Risk Committee, the Nominations & Governance Committee, the Environmental & Social Sustainability Committee, and Remuneration Committee.

Responsibility for implementing operational decisions and the day-to-day management of the business is delegated to the Chief Executive Officer who is supported by the Haleon Executive Team (the “HET”). The HET is supported by several sub-committees/forums.



## The role of our Board and Committees

### ***The Board of Haleon plc (“the Board”)***

The role of the Board is to promote the long-term sustainable success of the company, generating value for its shareholders whilst having regard to its other stakeholders, the impact of its operations on the communities within which it operates and the environment. The Company’s success is dependent upon effective and entrepreneurial leadership by the Board, establishing its purpose, strategy and values and doing so within a framework of prudent and effective controls which enable risks to be assessed and managed.

### ***Audit & Risk Committee***

The role of the Committee is to provide oversight and effective governance over:

- the appropriateness of financial reporting of Haleon plc and, where relevant, its subsidiaries, including the adequacy of related disclosures,
- the performance of both the internal audit function and the external auditor,
- the effectiveness of the Company’s system of internal controls,
- the Group’s risk management system and monitoring of business risks, and
- the Company’s process for monitoring compliance with legal and regulatory requirements and ethical codes of practice.

### ***Environmental & Social Sustainability Committee***

The role of the Committee is to provide oversight and effective governance over progress with the environmental and social sustainability agenda of the Company and the external governance and regulatory requirements relevant to these areas.

### ***Nominations & Governance Committee***

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.

### ***Remuneration Committee***

The role of the Committee is to set the broad structure for the Company’s remuneration policy and to determine the remuneration of the Board Chair, the Executive Directors, HET, Senior Management, Company Secretary and such other executives as required. It is also charged with reviewing workforce remuneration and related policies and the alignment of incentives and rewards with the Company’s culture.

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# Terms that apply to all Committees

Issued December 2024



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## Chair

In the absence of the Committee Chair, the Committee members shall elect one of the Committee members present to chair the meeting.

The Committee Chair should attend the AGM to answer shareholder questions on the Committee's activities and should seek engagement with shareholders on significant matters related to the Committee's areas of responsibility as appropriate.

The Committee Chair is responsible for maintaining a dialogue with key stakeholders involved in Haleon's governance, including the Board Chair, other Independent Non-Executive Directors, the Chief Executive Officer, the Chief Financial Officer, the Company Secretary and, where applicable, the external audit lead partner and/or internal audit.

## Membership

The Committee shall comprise at least three members, all of whom shall be Independent Non-Executive Directors in accordance with the provisions of the UK Corporate Governance Code. Appointments to the Committee are made by the Board on the recommendation of the Nominations & Governance Committee.

## Attendance

Only members of the Committee have the right to attend Committee meetings. Any other person may be invited to attend meetings on a regular basis or from time to time as determined by the Committee Chair and Company Secretary. The Committee may also meet without any executives of the Company being present.

## Quorum

The Quorum for the Committee meetings shall be two Committee members.

## Secretary

The Company Secretary, or their nominee, shall act as Secretary of the Committee 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, and will prepare minutes of the meeting.

## Notice of Meetings

Members may attend a Committee meeting in person, via video or telephone. If required, matters may be approved by written resolution and approved electronically.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items and supporting papers to be discussed, shall be forwarded to each member of the Committee, and any other person required to attend, in a timely manner.

The Secretary shall ensure that a formal record of Committee proceedings and resolutions is maintained, and the minutes once approved by the Chair, shall be made available to all members of the Committee.

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Meeting agendas are prepared by the Secretary of the Committee in collaboration with the relevant Committee Chair and contributors, as applicable.

## **Conflict of Interest**

Each member of the Committee should consider whether they have any conflicts of interest prior to participating in meetings of the Committee and making decisions regarding the business of the Company. Any such conflicts must be declared and noted at the start of the meeting.

## **Delegation of Authority**

The Committee shall sub-delegate certain matters to a sub-committee as required, from time to time.

## **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 Financial Conduct Authority'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) Report to the Board as soon as practicable on matters reviewed, making recommendations when requested or appropriate.
- (c) 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.
- (d) 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.
- (e) 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.
- (f) Take professional advice as necessary and in particular from the Company's external auditor, brokers and legal (at the Company's expense).
- (g) Conduct an evaluation of the Committee's performance as part of the annual Board Evaluation process.

Approved by the Board of Haleon plc on 4 December 2024.





# **Audit & Risk Committee Terms of Reference**

Issued December 2024



The Audit & Risk Committee (“the Committee”) Terms of Reference should be read in conjunction with the Terms that Apply to All Committees of the Board of Haleon plc.

<b>1. Chair</b>	The Board shall appoint the Committee Chair
<b>2. Members</b>	<p>A minimum of three Independent Non-Executive Directors.</p> <p>At least one member shall have recent and relevant financial experience and the Committee as a whole will be financially literate and have competence relevant to the sector in which the Company operates.</p> <p>At least one member must have competence in accounting and/or audit and be considered a financial expert (as defined by the U.S. Securities and Exchange Committee), as determined by the Board, upon the recommendation of the Nominations &amp; Governance Committee.</p> <p>The Board Chair shall not be a member of the Committee.</p>
<b>3. Meetings</b>	<p>There shall be a minimum of four Committee meetings a year.</p> <p>At least once a year the Committee shall meet separately with the external auditor, the Head of Audit &amp; Risk and the Chief Compliance Officer without the Executive Directors and other management being present.</p>
<b>4. Duties</b> <b>4.1</b>	<p><b>Financial and Narrative Reporting</b></p> <p>(a) Monitor and assess the Company’s financial statements and information, including those contained in its Annual Report and Accounts and Form 20-F, interim and preliminary results announcements and any other formal statements relating to its financial performance, prior to their approval by the Board, and in particular focus on:</p> <ul style="list-style-type: none"> <li>i) the integrity of the Company’s financial and narrative reporting, including the strategic report; statements relating to audit and risk; and environmental and sustainability disclosures;</li> <li>ii) the application and appropriateness of significant accounting policies and financial reporting judgements and any changes to them;</li> <li>iii) the methods used to account for significant or unusual transactions, where different approaches are possible;</li> <li>iv) whether the Company has made appropriate estimates and judgements, taking into account the external auditor’s views;</li> <li>v) significant adjustments resulting from the external audit and any unadjusted items identified during the external audit;</li> <li>vi) the assurance on environmental and sustainability disclosures from the external auditor, and any significant issues and adjustments made (jointly with the Environmental &amp; Social Sustainability Committee);</li> <li>vii) the clarity and completeness of disclosures in the financial statements and the context in which statements are made, including viability statements and the appropriateness of adopting the going concern assumptions as to the Company’s ability to continue to operate and meet its liabilities, taking account of its current position and principal risks; and</li> <li>viii) compliance with relevant UK and US legal and regulatory requirements and financial reporting standards.</li> </ul> <p>(b) Where requested by the Board, advise on whether, taken as a whole, the Annual Report and Accounts and Form 20-F (and, as applicable, relevant interim and other price sensitive public records to regulators) is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company’s performance, business model and strategy.</p>

	<ul style="list-style-type: none"> <li>(c) Where the Committee is not satisfied with any aspect of the proposed financial reporting by the Company, it shall report its views to the Board.</li> <li>(d) In relation to the Company's dividend proposals, review and consider whether sufficient distributable reserves would be available when a dividend is proposed to be paid and whether sufficient reserves would remain to continue to meet the Company's obligations.</li> </ul>
<p><b>4.2</b></p>	<p><b>Risk Management and Internal Controls</b></p> <ul style="list-style-type: none"> <li>(a) Review and monitor the Company's risk management and internal control framework (covering all material controls, including financial, operational, reporting, and compliance controls), and at least annually review its effectiveness and advise the Board on the relevant statements to be included in the Annual Report and Accounts and Form 20-F.</li> <li>(b) Review the principal and emerging risks facing the Company in achieving its long-term strategic objectives, including the management and mitigation of those risks. The Committee shall monitor the Enterprise Risk Map of all the Company's Enterprise Risks and the process by which they are prioritised.</li> <li>(c) Review the assurance reports on the effectiveness of the risk management and internal control framework and from the internal audit, the external auditor and others on the operational effectiveness of matters related to risk and control.</li> <li>(d) Advise the Board, based on the assessment of the Company's financial position and principal risks, on how the prospects of the Company may be impacted.</li> <li>(e) Review and assess the Company's risk appetite and associated stress testing.</li> <li>(f) Have oversight of the Company's compliance with Section 404 of the US Sarbanes-Oxley Act of 2002.</li> <li>(g) Consider the findings of major internal investigations and management's response and make recommendation for further action to mitigate identified risks as appropriate.</li> </ul>
<p><b>4.3</b></p>	<p><b>Compliance, Speak Up &amp; Fraud</b></p> <ul style="list-style-type: none"> <li>(a) Review the Company's systems and controls for areas covered by the Code of Conduct, including fraud, bribery and corruption and receive reports on non-compliance.</li> <li>(b) Review the adequacy of the Company's arrangements for employees and contractors to raise concerns ("Speak Up") in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow-up action.</li> <li>(c) Review the Company's procedure for compliance with any applicable sanctions regimes.</li> <li>(d) Consider any material breaches or exposure to breaches of applicable regulatory requirements or of ethical codes to which the Company subscribes which could have a material effect on the financial position of contingent liabilities of the Company.</li> </ul>
<p><b>4.4</b></p>	<p><b>Internal Audit</b></p> <ul style="list-style-type: none"> <li>(a) Approve the appointment or termination of the Head of Audit &amp; Risk.</li> <li>(b) Review and approve the role of internal audit and as part of this: <ul style="list-style-type: none"> <li>(i) Meet with the Head of Audit &amp; Risk without the presence of management to discuss the effectiveness of the function;</li> <li>(ii) Annually review and approve the Internal Audit function's performance objectives, and assess performance against these objectives</li> <li>(iii) Review and approve the annual internal audit work plan and budget;</li> <li>(iv) Receive a report on the results of the internal audit function's work;</li> </ul> </li> </ul>

4.5	<ul style="list-style-type: none"> <li>(v) Determine whether it is satisfied that the quality, experience, and expertise of internal audit is appropriate for the business and sufficient resource is available to deliver the internal audit plan;</li> <li>(vi) Review the actions taken by management to implement the recommendations of internal audit and to support the effective working of the internal audit team; and</li> <li>(vii) Review and approve the Internal Audit Charter and Mandate</li> <li>(c) Monitor the effectiveness of the internal audit function in the overall context of the Company's risk management system and the work of compliance, finance and the external auditor.</li> <li>(d) Ensure internal audit has unrestricted scope, the necessary resources and access to information to enable it to fulfil its mandate and is equipped to perform in accordance with appropriate professional standards for internal auditors.</li> <li>(e) Ensure the Head of Audit &amp; Risk has direct access to the Board Chair and to the Committee Chair, providing independence from the Executive and accountability to the Committee.</li> <li>(f) Annually review and approve the Quality Assurance and Improvement Program, and obtain an independent and objective external quality assessment of the internal audit function as a whole at appropriate intervals.</li> </ul> <p><b>External Audit</b></p> <ul style="list-style-type: none"> <li>(a) Consider and make recommendations to the Board, to be put to shareholders for approval at the Annual General Meeting, in relation to the appointment, re-appointment and removal of the Company's external auditor, including initiating and supervising any related tender process for the appointment of the external auditor in accordance with applicable legal and regulatory requirements.</li> <li>(b) Oversee the relationship with the external auditor. In this context the Committee shall: <ul style="list-style-type: none"> <li>(i) approve their remuneration, including both fees for audit and non-audit services, ensure that the level of fees is appropriate to enable an effective and high-quality audit to be conducted and assess these in the context of relevant legal, professional and regulatory requirements;</li> <li>(ii) approve their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;</li> <li>(iii) approve the appointment of the lead external audit engagement partner;</li> <li>(iv) assess annually the qualifications, expertise and resources, and independence of the external auditor; and</li> <li>(v) if an external auditor resigns, investigate the issues leading to this and decide whether any action is required.</li> </ul> </li> <li>(c) Ensure that appropriate plans are in place for the annual audit at the start of each annual audit cycle and consider the nature and scope of this, having regard to materiality, resources and expertise of the audit team.</li> <li>(d) Review the activities, findings, conclusions and recommendations of the external auditor, including any major resolved or unresolved issues that arose during the course of the audit and the level of errors identified. Review the representation letter(s) requested by the external auditor before signing by management on material matters. Review the management letter and management's response to the auditor's findings and recommendations before consideration by the Board.</li> <li>(e) Meet regularly with the external auditor, and, at least once a year, meet the external auditor without management being present, to discuss the external auditor's remit, any issues arising from the audit and any difficulties encountered during the audit.</li> <li>(f) Review the effectiveness of the external audit process, including an assessment of the quality of the external audit, the handling of key judgments by the external auditor, the</li> </ul>
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<p><b>4.6</b></p>	<p>external auditor's response to questions from the Committee and any audit problems or difficulties and management's response.</p> <ul style="list-style-type: none"> <li>(g) Ensure that a Group policy on the provision of non-audit services by the external auditor is in place, including a procedure for the prior approval of non-audit services by the Committee and specifying the type of non-audit services to be pre-approved.</li> <li>(h) Considering the policy on the provision of non-audit services, assess annually the external auditor's independence and objectivity considering professional and regulatory requirements and the Company's relationship with the auditor as a whole.</li> <li>(i) Agree with the Board a policy on the employment of current and former employees of the external auditor taking into account the FRC's Ethical Standard and legal requirements, and monitor the application of this policy.</li> <li>(j) Review and discuss with the external auditor any significant issues arising from any regulatory inspections of the external auditor to the extent relevant to the Company, including the external auditor's response to any identified accounting deficiencies.</li> </ul> <p><b>Other</b></p> <ul style="list-style-type: none"> <li>(a) Review the Company's activities with respect to Group treasury and tax planning policies.</li> </ul>
<p><b>5. Reporting</b></p>	<ul style="list-style-type: none"> <li>(a) Provide advice to the Remuneration Committee on any risk weightings to be applied to performance objectives incorporated in the incentive structure for executive remuneration and make recommendations to the Remuneration Committee on clawback provisions.</li> <li>(b) Oversee and produce a report to be included in the Company's Annual Report and Accounts and Form 20-F describing the work of the Committee, including: <ul style="list-style-type: none"> <li>(i) the significant issues that the Committee considered in relation to the financial statements and how these were addressed;</li> <li>(ii) an explanation of how the Committee has assessed the independence and effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor, information on the length of tenure of the current audit firm, when a tender was last conducted and advance notice of any retendering plans; and</li> <li>(iii) an explanation of how auditor independence and objectivity are safeguarded if the external auditor provides non-audit services, having regard to matters communicated to it be the auditor and all other information requirements set out in the UK Corporate Governance Code.</li> </ul> </li> </ul>
<p>Approved by the Board of Haleon plc on 4 December 2024.</p>	



# Nominations & Governance Committee Terms of Reference

Issued December 2024





The Nominations & Governance Committee (“the Committee”) Terms of Reference should be read in conjunction with the Terms that Apply to All Committees of the Board of Haleon plc.

<b>1. Chair</b>	The Board Chair or an Independent Non-Executive director shall be appointed by the Board as Chair of the Committee. The Board Chair shall not chair the Committee when it is discussing the Chair’s succession or performance.
<b>2. Meetings</b>	There shall be a minimum of two Committee meetings a year.
<b>3. Duties</b>	
<b>3.1</b>	<p><b>Board and Senior Management Composition and Succession Planning</b></p> <ul style="list-style-type: none"> <li>(a) Regularly review 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 regarding any changes.</li> <li>(b) Oversee the development of a diverse pipeline for succession to both the Board and senior management positions, considering the challenges and opportunities facing Haleon, the strategic priorities, the skills, expertise, and diversity needed in the future.</li> <li>(c) Review the leadership needs of the organisation, relating both to the Board and Senior Management, with a view to ensuring the continued ability of the organisation to deliver its purpose and strategy.</li> <li>(d) Assess the results of the Board performance evaluation process so far as it relates to the composition of the Board.</li> </ul>
<b>3.2</b>	<p><b>Appointments to the Board</b></p> <ul style="list-style-type: none"> <li>(a) 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.</li> <li>(b) Recommend to the Board the re-election by shareholders of all board directors under the annual re-election provisions of the UK Corporate Governance Code, 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.</li> <li>(c) Review and 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.</li> <li>(d) Ensure proposed appointees disclose significant time commitments and understand they need Board approval for future external appointments. They should also disclose and obtain Board approval for any business interests that may cause conflicts, both before appointment and in the future. The Committee should annually review time required from Non-Executive Directors, using the performance evaluation to assess if they're dedicating sufficient time to their duties.</li> <li>(e) 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.</li> </ul>

3.3	<p><b>Governance</b></p> <ul style="list-style-type: none"> <li>(a) Monitor, consider and recommend changes to the Terms of Reference of the Board and any of its Committees and the Company's Corporate Governance Framework as are necessary to ensure the Company's continued compliance with applicable corporate governance standards, legal, regulatory and listing requirements and emerging best practice.</li> <li>(b) Review and recommend the Board Diversity and Inclusion Policy for Board approval.</li> <li>(c) Review and recommend the Company's Code of Conduct for Board approval.</li> <li>(d) Determine the appropriate mechanism for engaging with the Company's workforce and make recommendations to the Board.</li> <li>(e) Conduct an annual review of the Conflicts of Interest Register and review any disclosure relating to conflicts of interest to be made public.</li> <li>(f) Recommend the financial expert on the Audit &amp; Risk Committee for Board approval.</li> <li>(g) 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 progress against the action plans arising from the Board effectiveness review.</li> <li>(h) Oversee subsidiary governance and the application of the Subsidiary Governance Principles.</li> </ul>
4. Reporting	<ul style="list-style-type: none"> <li>(a) The Committee shall produce a report to be included in the Company's Annual Report and Accounts and Form 20-F describing the work of the Committee, including: <ul style="list-style-type: none"> <li>(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 and Accounts and Form 20-F alongside a statement about any other connection it has with the company or individual Directors;</li> <li>(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;</li> <li>(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</li> <li>(iv) the gender balance of those in the senior management team and their direct reports.</li> </ul> </li> </ul>
Approved by the Board of Haleon plc on 4 December 2024.	





# **Environmental & Social Sustainability Committee Terms of Reference**

Issued December 2024



The Environmental & Social Sustainability Committee (“the Committee”) Terms of Reference should be read in conjunction with the Terms that Apply to All Committees of the Board of Haleon plc.

<b>1. Chair</b>	The Board shall appoint the Committee Chair
<b>2. Meetings</b>	There shall be a minimum of two Committee meetings per year
<b>3. Duties</b>	<p><b>Strategy and metrics</b></p> <ul style="list-style-type: none"> <li>(a) Provide oversight on the evolution and execution of the ESS strategy and the Group’s progress and performance on its long-term ESS commitments and targets.</li> <li>(b) Review key policies and programmes required to implement the ESS strategy.</li> </ul> <p><b>3.1 External Disclosures</b></p> <ul style="list-style-type: none"> <li>(a) Review the content, integrity and completeness of external statements and disclosures about ESS activity, targets and progress.</li> <li>(b) Review and recommend the Responsible Business Report and the Human Rights Statement to the Board for approval.</li> <li>(c) Jointly with the Audit &amp; Risk Committee, review the appropriateness and adequacy of ESS disclosures provided within the Annual Report and Accounts and Form 20-F and the Corporate Sustainability Report.</li> </ul> <p><b>3.2 Horizon scanning and engagement</b></p> <ul style="list-style-type: none"> <li>(a) Review emerging ESS issues which may have an impact on the Company’s operations, ESS initiatives or reputation and require Board-level oversight and/or stakeholder engagement.</li> <li>(b) Review the Company’s engagement in relation to ESS matters with relevant external stakeholders, non-governmental organisations and other interested parties.</li> </ul> <p><b>3.3 Other</b></p> <ul style="list-style-type: none"> <li>(a) Work with the Remuneration Committee regarding appropriate ESS-related performance objectives for the Haleon Executive Team, and provide input on ESS performance relevant to the incentive structure for executive remuneration.</li> </ul>
<b>4.</b>	<p><b>Reporting</b></p> <ul style="list-style-type: none"> <li>(a) Produce a report to be included in the Company’s Annual Report and Accounts and Form 20-F describing the work of the Committee and the significant issues the Committee considered in relation to ESS.</li> </ul>
Approved by the Board of Haleon plc on 4 December 2024.	



# Remuneration Committee Terms of Reference

Issued December 2024



The Remuneration Committee (“the Committee”) Terms of Reference should be read in conjunction with the Terms that apply to all Committees of the Board of Haleon plc

<b>1. Chair</b>	The Board shall appoint the Committee Chair who should have served on a Remuneration Committee for at least 12 months.
<b>2. Meetings</b>	There shall be a minimum of four Committee meetings per year.
<b>3. Duties</b>	
<b>3.1</b>	<p><b>Remuneration Policy</b></p> <ul style="list-style-type: none"> <li>(a) Recommend to the Board the remuneration principles for the Executive Directors. Determine and propose to the Board a Directors’ Remuneration Policy (the “Policy”) for adoption by shareholders.</li> <li>(b) In determining the Policy and remuneration practices, the Committee should consider any factors which it deems necessary to support the Company’s strategy and promote alignment with the Company purpose, values, long-term shareholder interests, risk appetite, and the principles that guide the remuneration of the wider workforce.</li> <li>(c) Review the ongoing appropriateness and relevance of the Policy having regard to remuneration trends externally and the provisions and recommendations of the UK Corporate Governance Code.</li> <li>(d) Liaise with the Board and other committees as necessary on the design and implementation of the Policy.</li> </ul>
<b>3.2</b>	<p><b>The Board, Haleon Executive Team (“HET”), and Senior Management</b></p> <ul style="list-style-type: none"> <li>(a) Set and approve the terms of engagement, remuneration, benefits and termination of employment of the Board Chair, Executive Directors, HET, Senior Management, the Company Secretary and such other executives as required.</li> <li>(b) Ensure that no Director, HET member or Senior Manager is involved in any decisions as to their own remuneration outcomes. The Board Chair and the Executive Directors shall set the remuneration of the Non-Executive Directors and within the limits set out in the Group’s Articles of Association.</li> </ul>
<b>3.3</b>	<p><b>Performance related pay schemes</b></p> <ul style="list-style-type: none"> <li>(a) Ensure that all performance-related elements of Executive Director and Senior Management remuneration: <ul style="list-style-type: none"> <li>(i) have performance conditions that are transparent, stretching and rigorously applied;</li> <li>(ii) form a significant proportion of the total remuneration package;</li> <li>(iii) are designed to align Executive Director and Senior Management’s interests with shareholder interests; and</li> <li>(iv) enable the use of discretion over outcomes and the recovery and/or withholding of awards in circumstances where the Committee deems this to be appropriate.</li> </ul> </li> </ul>
<b>3.4</b>	<p><b>Share incentive plans</b></p> <ul style="list-style-type: none"> <li>(a) Review the design of all share plans for approval by the Board and, where required, shareholders.</li> <li>(b) Determine each year whether awards will be made and, if so, the overall amount of such awards, the individual awards for Executive Directors and Senior Managers and the performance targets to be used.</li> </ul>

<p><b>3.5</b></p>	<p><b>Haleon Workforce</b></p> <ul style="list-style-type: none"> <li>(a) Review overarching workforce remuneration and key related policies and the alignment of incentives and rewards with the Company’s culture and take these into account when determining the Policy for executive remuneration.</li> <li>(b) Review any major changes in employee benefit structures.</li> <li>(c) Feedback to the Board on workforce remuneration policies, conditions and incentives and how the Company’s policies and practices are aligned with its culture and strategy.</li> <li>(d) Have oversight of the Share Plans Group in line with its responsibilities under its Terms of Reference.</li> </ul>
<p><b>3.6</b></p>	<p><b>Other</b></p> <ul style="list-style-type: none"> <li>(a) Establish the selection criteria and select, appoint and set the parameters for any remuneration consultants who advise the Committee.</li> <li>(b) Review and approve the Company’s malus and clawback policy.</li> <li>(c) Maintain effective engagement with shareholders on remuneration matters.</li> </ul>
<p><b>4.</b></p>	<p><b>Reporting</b></p> <ul style="list-style-type: none"> <li>(a) Produce a report to be included in the Company’s Annual Report and Accounts and Form 20-F describing the work of the Committee in line with the UK Corporate Governance Code.</li> <li>(b) Submit for approval by the Board a directors’ remuneration report, which sets out a description of its work, remuneration practices and implementation of the Policy (in line with applicable regulations), for inclusion in the Annual Report and Accounts and Form 20-F and recommend its approval by shareholders at the Annual General Meeting as necessary.</li> <li>(c) Where consultants have been appointed, the consultants should be identified in the Annual Report and Accounts and Form 20-F alongside a statement about any connection they have with Haleon or individual directors.</li> </ul>

Approved by the Board of Haleon plc on 4 December 2024.



# Board Terms of Reference

Issued December 2024



<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>



**Matters Reserved for the Board**

The Board has reserved the following matters for its direct stewardship and decision making in conjunction with the Audit & Risk, Remuneration, Environmental & Social Sustainability, and Nominations & Governance Committees and any other committee appointed by the Board.

<b>1. Strategic Management</b>	<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>
<b>2. Structure &amp; Capital</b>	<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>
<b>3. Financial Reporting &amp; Controls</b>	<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>
<b>4. Risk Management &amp; Internal Controls</b>	<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>
<b>5. Contracts &amp; Major Transactions*</b>  <small>*To be considered in conjunction with the Group Delegation of Authority</small>	<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>
<b>6. Engagement with shareholders, employees &amp; other stakeholders</b>	<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>
<b>7. Board Membership &amp; Other Major Appointments</b>	<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>
<b>8. Remuneration</b>	<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>
<b>9. Corporate Governance</b>	<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>
<b>10. Responsible Business</b>	<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>
<b>11. Other Matters</b>	<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.	

