



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.

1. Chair	The Board shall appoint the Committee Chair who should have served on a Remuneration Committee for at least 12 months.
2. Meetings	There shall be a minimum of four Committee meetings per year.
3. Duties	
3.1	<p>Remuneration Policy</p> <ul style="list-style-type: none"> (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. (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. (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. (d) Liaise with the Board and other committees as necessary on the design and implementation of the Policy.
3.2	<p>The Board, Haleon Executive Team (“HET”), and Senior Management</p> <ul style="list-style-type: none"> (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. (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.
3.3	<p>Performance related pay schemes</p> <ul style="list-style-type: none"> (a) Ensure that all performance-related elements of Executive Director and Senior Management remuneration: <ul style="list-style-type: none"> (i) have performance conditions that are transparent, stretching and rigorously applied; (ii) form a significant proportion of the total remuneration package; (iii) are designed to align Executive Director and Senior Management’s interests with shareholder interests; and (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.
3.4	<p>Share incentive plans</p> <ul style="list-style-type: none"> (a) Review the design of all share plans for approval by the Board and, where required, shareholders. (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.

3.5	Haleon Workforce (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. (b) Review any major changes in employee benefit structures. (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. (d) Review and approve the UK Gender Pay Gap Report. (e) Have oversight of the Share Plans Group in line with its responsibilities under its Terms of Reference.
3.6	Other (a) Establish the selection criteria and select, appoint and set the parameters for any remuneration consultants who advise the Committee. (b) Review and approve the Company’s malus and clawback policy. (c) Maintain effective engagement with shareholders on remuneration matters.
4.	Reporting (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. (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. (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.
Approved by the Board of Haleon plc on 4 December 2024.	

Terms that apply to all Committees

Issued December 2024



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.

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.