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15 June 2011

Chris Hodge
Corporate Governance Unit
Financial Reporting Council
Fifth Floor
Aldwych House
71-91 Aldwych
London EC2B 4HN

Dear Mr Hodge,

Gender Diversity on Boards

In response to the Consultation Document that the FRC has issued on the above topic, the Halma Board would like to provide its views on the various questions posed within the document.

Whilst the June 2010 UK Corporate Governance Code addresses the topic of diversity, it is evident from Lord Davis' subsequent review that actually attaining gender diversity requires additional attention.

Our experience

Throughout Halma, women are under-represented at manager and executive levels and we aim to increase the proportion of women in senior roles and on the Board of Directors by refreshing our policies and behaviours from both a "top down" and "bottom up" approach. We appreciate the task ahead of us in a sector where graduates are 80+% male, so part of our strategy will involve ensuring that Halma has a culture and working practices that make it more attractive to women.

Our efforts will not only be directed towards gender diversity, but also towards increasing the proportion of individuals with experience in the business and geographic markets in which we see our operations trending.

Our strong preference is to develop policies and actions which support our aims rather than establishing measurable targets. We believe the former evolves into part of the corporate culture more readily than simply setting a target.

I, myself, addressed the topic of diversity directly with the receptive heads of each of our subsidiary operations during a recent conference and outlined the Group's intention to redress the gender imbalance.



Question 1: [Are] further changes to the Code needed in order to help achieve more diverse and more effective boards?

We accept that further changes to the Code may help accelerate improvements in Board diversity, and gender diversity in particular. As currently drafted, the changes proposed may reinforce the need for gender diversity at the short-term expense of other diversity requirements a Board may have.

Question 2: If [further changes to the Code are needed], what should these changes be?

Provision B.2.4 proposed additional wording:

"This section should include a description of the board's policy on gender diversity in the boardroom, including any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives."

Halma prefers an approach that encompasses all areas of diversity and would suggest that the word "gender" be deleted from the above proposed wording.

In addition, the emphasis on measurable objectives may detract from underlying efforts and achievements made by companies which operate in different market sectors, so we would support the removal of the word "measurable" from the above proposed wording.

Questions 3: If changes are made to the Code, when should these come into effect?

The first option of accounting periods beginning on or after 29 June 2011 (with early adoption possible) would serve to emphasise the importance placed on achieving diversity in the short to medium term.

In summary, we agree with Lord Davies' assertion that additions to the Code are needed because "enhanced corporate governance statements will allow companies to pay attention to, and consider what diversity means within their own organisations. Stakeholders, both investors and customers, will be able to make informed decisions about the diversity of the company and the performance of that company in addressing the diversity challenge".

We appreciate the debate that the FRC and Lord Davies have provoked; we are hopeful that the additional attention Halma is giving to diversity (in all its forms) will support the performance (both financial and non-financial) of the Group.

Yours sincerely,



Geoff Unwin
Chairman

