

## OTHER STATUTORY INFORMATION

### Activities

Halma plc is a holding company. A list of its principal subsidiary companies and their activities is set out on pages 144 to 147.

### Ordinary dividends

The Directors recommend a final dividend of 5.95p per share and, if approved, this dividend will be paid on 22 August 2012 to ordinary shareholders on the register at the close of business on 20 July 2012. Together with the interim dividend of 3.79p per share already paid, this will make a total of 9.74p (2011: 9.10p) per share for the financial year.

### Share capital and capital structure

Details of the share capital, together with details of the movements in the share capital during the year, are shown in note 22 to the accounts. The Company has one class of ordinary shares which carry no right to fixed income. Each share carries the right to one vote at general meetings of the Company.

There are no other classes of share capital. There are no specific restrictions on the size of a holding nor on the transfer of shares, with both governed by the general provisions of the Articles of Association and prevailing legislation. No person has any special rights of control over the Company's share capital and all issued shares are fully paid.

### Rights and obligations of ordinary shares

Holders of ordinary shares are entitled to attend and speak at general meetings of the Company and to appoint one or more proxies or, if the holder of shares is a corporation, one or more corporate representatives. On a show of hands, each holder of ordinary shares who (being an individual) is present in person or (being a corporation) is present by a duly appointed corporate representative, not being himself a member, shall have one vote, as shall proxies (unless they are appointed by more than one holder, in which case they may vote both for and against the resolution in accordance with the holders' instructions). On a poll every holder of ordinary shares present in person or by proxy shall have one vote for every share of which he is the holder. Electronic and paper proxy appointments and voting instructions must be received not later than 48 hours before the meeting. A holder of ordinary shares can lose the entitlement to vote at general meetings where that holder has been served with a disclosure notice and has failed to provide the Company with information concerning interests held in those shares. Except as set out above and as permitted under applicable statutes, there are no limitations on voting rights of holders of a given percentage, number of votes or deadlines for exercising voting rights.

### Restrictions on transfer of shares

The Directors may refuse to register a transfer of a certificated share that is not fully paid, provided that the refusal does not prevent dealings in shares in the Company from taking place on an open and proper basis or where the Company has a lien over that share. The Directors may also refuse to register a transfer of a certificated share unless the instrument of transfer is: (i) lodged, duly stamped (if necessary), at the registered office of the Company or any other place as the Board may decide accompanied by the certificate for the share(s) to be transferred and/or such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer; (ii) in respect of only one class of shares; (iii) in favour of a person who is not a minor, infant, bankrupt or a person of unsound mind; or (iv) in favour of not more than four persons jointly.

Transfers of uncertificated shares must be carried out using CREST and the Directors can refuse to register a transfer of an uncertificated share in accordance with the regulations governing the operation of CREST.

There are no other restrictions on the transfer of ordinary shares in the Company except certain restrictions which may from time to time be imposed by laws and regulations (for example insider trading laws); or where a shareholder with at least a 0.25% interest in the Company's certificated shares has been served with a disclosure notice and has failed to provide the Company with information concerning interests in those shares. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights.

### Treasury shares

Shares held in treasury do not have voting rights and are not eligible for dividends.

### Employee share plans

Details of employee share plans are set out in note 23 to the accounts.

### Appointment and replacement of directors

With regard to the appointment and replacement of directors, the Company is governed by its Articles of Association, the UK Corporate Governance Code, the Companies Acts and related legislation. Directors can be appointed by the Company by ordinary resolution at a general meeting or by the Board. If a director is appointed by the Board, such director will hold office until the next annual general meeting and shall then be eligible for re-election at that meeting. In accordance with the UK Corporate Governance Code all the Directors will retire and, being eligible, will offer themselves for re-election at this year's Annual General Meeting. The Company can remove a director from office, including by passing a special resolution or by notice being given by all the other directors. The Articles themselves may be amended by special resolution of the shareholders.

### Power of Directors

The powers of Directors are described in the Matters Reserved for the Board, copies of which are available on request from the Company Secretary, and the Corporate Governance Statement on page 72.

### Essential contracts and change of control

There are a number of agreements that take effect, alter or terminate upon a change of control of the Company, principally bank loan agreements and employee share plans.

## OTHER STATUTORY INFORMATION

### CONTINUED

The only significant agreement, in terms of its likely impact on the business of the Group as a whole, containing such provisions is that governing the £260m syndicated revolving credit facility which, if within 10 days of a change of control notice to the Loan agent, can result in 30 days' notice being given to the Company by any Lender, for all amounts outstanding to that Lender, to be immediately due and payable, at which time the commitment of that Lender will be cancelled. If all of the Lenders give this notice the whole facility would be cancelled.

The Group has contractual arrangements with a wide range of suppliers. The Group is not unduly dependent upon contractual arrangements with any particular customer. Whilst the loss or disruption to certain of these arrangements could temporarily affect the Group's business, none is considered to be essential.

The Company's share plans contain provisions as a result of which options and awards may vest and become exercisable on a change of control of the Company in accordance with the rules of the plans.

The Directors are not aware of any agreements between the Company and its directors or employees that provide for compensation for loss of office or employment that occurs because of a takeover bid.

#### **Allotment authority**

Under the Companies Act 2006 the Directors may only allot shares if authorised by shareholders to do so. At the Annual General Meeting an ordinary resolution will be proposed which, if passed, will authorise the Directors to allot and issue new shares up to an aggregate nominal value of £12,500,000 (up to 125,000,000 new ordinary shares of 10p each), being just less than one-third of the issued share capital of the Company (excluding treasury shares) as at 13 June 2012 (the latest practicable date prior to the publication of the Notice of Meeting).

In accordance with the Directors' stated intention to seek annual renewal, the authority will expire at the conclusion of the Annual General Meeting of the Company in 2013. Passing this resolution will give the Directors flexibility to act in the best interests of shareholders, when opportunities arise, by issuing new shares.

As at 13 June 2012 (the latest practicable date prior to the publication of the Notice of Meeting), the Company had 378,555,028 ordinary shares of 10p each in issue of which 1,396,240 were held as treasury shares, which is equal to approximately 0.4% of the issued share capital of the Company (excluding treasury shares) as at that date.

The Companies Act 2006 also requires that, if the Company issues new shares for cash or sells any treasury shares, it must first offer them to existing shareholders in proportion to their current holdings. At the Annual General Meeting a special resolution will be proposed which, if passed, will authorise the Directors to issue a limited number of shares for cash and/or sell treasury shares without offering them to shareholders first. The authority is for an aggregate nominal amount of up to 5% of the aggregate nominal value of the issued share capital of the Company as at 13 June 2012 (the latest practicable date prior to the publication of the Notice of Meeting). The resolution will also modify statutory pre-emption rights to deal with legal, regulatory or practical problems that may arise on a rights issue or other pre-emptive offer or issue. The authority will expire at the same time as the resolution conferring authority on the Directors to allot shares. The Directors consider this authority necessary in order to give them flexibility to deal with opportunities as they arise, subject to the restrictions contained in the resolution. There are no present plans to issue shares, except under share plans previously approved in general meeting.

#### **Directors**

The names of the Directors of the Company who served throughout the year including brief biographies, are set out on pages 68 and 69.

#### **Directors' indemnities**

The Company has entered into deeds of indemnity with each of the current Directors, which remain in force at the date of this report. These are qualifying third-party indemnity provisions for the purposes of the Companies Act 2006.

#### **Purchase of the Company's own shares**

The Company was authorised at the 2011 Annual General Meeting to purchase up to 37,600,000 of its own 10p ordinary shares in the market. This authority expires at the end of the 2012 Annual General Meeting. In accordance with the Directors' stated intention to seek annual renewal, a special resolution will be proposed at the Annual General Meeting to renew this authority, until the end of next year's Annual General Meeting, in respect of up to 37,800,000 ordinary shares, which is approximately 10% of the Company's issued share capital (excluding treasury shares) as at 13 June 2012 (the latest practicable date prior to the publication of the Notice of Meeting). The Directors consider it desirable that the possibility of making such purchases, under appropriate circumstances, is available. Their present intention is that the shares purchased under the authority will be held in treasury for future cancellation, sale for cash or transfer for the purposes of, or pursuant to, an employee share plan, although in the light of circumstances at the time it may be decided to cancel them immediately on repurchase. The effect of any cancellation would be to reduce the number of shares in issue. For most purposes, while held in treasury, shares are treated as if they have been cancelled (for example, they carry no voting rights and do not rank for dividends).

Following approval of the Performance Share Plan (PSP) at the 2005 Annual General Meeting, the Directors made, and intend to continue to make, routine purchases of Halma shares in the market for holding in treasury until required for vesting under the PSP. In the year to 31 March 2012, 1,070,579 shares, with a nominal value of £107,057.90, which is 0.3% of the Company's issued share capital as at 13 June 2012 (the latest practicable date prior to the publication of the Notice of Meeting), were purchased in the market for treasury. Otherwise, the Directors have no present intention of using this authority. In reaching a decision to purchase shares, the Directors will take into account the Company's cash resources, capital requirements and the effect of any purchase on the Company's earnings per share. It is anticipated that renewal of the authority will be requested at subsequent annual general meetings.

As at 13 June 2012, which is the latest practicable date prior to the publication of the Notice of Meeting, options were outstanding to subscribe for a total number of 2,160,900 ordinary shares, or 0.6% of the Company's issued share capital. If the proposed authority were to be used in full and all of the repurchased shares were cancelled (but the Company's issued share capital otherwise remained unaltered), the total number of options to subscribe for ordinary shares at that date would represent approximately 0.6% of the Company's issued share capital (excluding treasury shares).

### Supplier payment policy

The Company does not follow any particular supplier payment code of practice. The Company has due regard to the payment terms of suppliers and generally settles all undisputed accounts within 30 days of the due date for payment. At 31 March 2012 the Company's trade creditors, amounting to £1.3m (2011: £0.9m), represented 25 days (2011: 25 days) of its annual purchases.

### Donations

Group companies made charitable donations amounting to £46,015, principally to universities, (2011: £2,451) during the financial year. There were no political donations (2011: £nil).

### Substantial shareholdings

On 13 June 2012, the Company had been notified, in accordance with chapter 5 of the Disclosure and Transparency Rules, of the following voting rights as a shareholder of the Company.

	31 March 2012		13 June 2012		Nature of holdings
	No. of ordinary shares	Percentage of voting rights and issued share capital	No. of ordinary shares	Percentage of voting rights and issued share capital	
Sprucegrove Investment Management Ltd	22,317,670	5.94	22,317,670	5.92	Indirect
Massachusetts Financial Services Company	18,904,896	5.03	18,904,896	5.01	Indirect
Capital Research and Management Company	18,804,168	5.00	18,804,168	4.99	Indirect
Schroder Investment Management	18,667,466	4.97	18,667,466	4.95	Indirect
Norges Bank Investment Management	11,293,494	3.01	15,294,184	4.06	Direct
Sanderson Asset Management Ltd	14,891,762	3.96	14,891,762	3.95	Direct
Barclays Bank PLC	14,646,007	3.90	14,646,007	3.88	Indirect
Legal and General Group Plc	14,874,651	3.96	11,248,247	2.98	Direct

### Annual General Meeting

The Company's Annual General Meeting will be held on 24 July 2012. The Notice of Meeting, together with an explanation of the proposed resolutions, is enclosed with this Annual Report and is also available on the Company's website at [www.halma.com](http://www.halma.com).

### Special Business

The Board will propose three special resolutions under Special Business at the Annual General Meeting, in accordance with the EU Shareholder Rights Directive implemented in August 2009, to permit the Company to retain the ability to call general meetings (other than annual general meetings) at 14 days' notice rather than 21 days' notice.

### Auditors

Each of the persons who is a Director at the date of approval of this Annual Report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the Director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

By order of the Board

**Carol Chesney**  
Company Secretary

14 June 2012