

## **Constitution**

1. The Board has established a committee known as the Science, Sustainability and Excellence Committee (“SSE”) Committee (the “Committee”).
2. The Committee has the delegated authority as set out in these terms of reference including responsibility for overseeing, on behalf of the Board, the Group’s culture and approach to science, sustainability and excellence, for the Company, its subsidiaries and their businesses (the “Group”). This includes oversight in respect of science, innovation and research & development strategy, programmes and performance, sustainability (particularly Environmental strategy and performance) and the Smiths Excellence System (‘SES’) the Group’s operating model as it relates to the above.
3. These Terms of Reference may be amended by the Board only at any time. The proceedings of the Committee shall be regulated by the Company’s Articles of Association.
4. The Committee may sub-delegate any or all of its powers and authority as it thinks fit, including without limitation the establishment of sub-committees. The membership of any sub-committee established under this authority will be comprised of a minimum of two members of the Committee.

## **Chair**

5. The Board shall appoint a Non-Executive Director as Chair of the Committee. In the absence of the Chair of the Committee, the members present at any meeting shall elect one of themselves to chair the meeting.

## **Membership**

6. The Committee shall comprise at least three non-executive Directors.
7. Appointments to the Committee shall be determined by the Board, on the recommendation of the Nomination & Governance Committee and in consultation with the chair of the Committee, having regard to the member’s performance and suitability. A Director shall automatically cease to be a Committee member on ceasing to be a Director.
8. There should be at least one member of the Committee who also serves on the Audit & Risk Committee and the Remuneration Committee (not necessarily the same person) in order to ensure exchange of information of common interest.

## **Quorum**

9. The quorum shall be two members. Any member shall abstain from voting on resolutions of the Committee in relation to which any potential conflict of interest exists.

### **Secretary**

10. The Company Secretary or his or her nominee shall act as Secretary to the Committee and shall ensure members receive notice, information and papers in a timely manner to enable full and proper consideration to be given to the issues.

### **Attendance at meetings**

11. Only Committee members shall have the right to attend Committee meetings and other Non-executive Directors may attend and observe Committee meetings. The executive Directors shall normally be invited to attend and other individuals and external advisers may be invited to attend if appropriate.
12. If there is an equality of votes, the Chair of the Committee shall have a casting vote.

### **Frequency of meetings**

13. The Committee shall meet at least 3 times a year and as otherwise required by the Chair of the Committee. This may include site visits.

### **Notice of meetings**

14. Committee meetings shall be called by the Company Secretary at the request of the Chair of the Committee.
15. The agenda and supporting materials for the items to be discussed shall be forwarded to each member of the Committee and any other person required to attend in a timely manner to enable full and proper consideration to be given to the issues. Unless otherwise agreed this shall be no later than seven days before the date of the meeting.

### **Minutes of meeting**

16. The Secretary to the Committee shall minute the proceedings and decisions of all Committee meetings. Once approved by the Chair of the Committee, minutes shall be circulated to all Committee members and, unless otherwise indicated by the Chair of the Committee, to the Executive and any other Non-executive Directors of the Company.

### **Authority**

17. The Board authorises the Committee at the Company's expense to use internal resources and/or to obtain external professional advice (including any independent third party review of internal audit effectiveness and processes), as appropriate. The Committee shall have exclusive responsibility for appointing, retaining and terminating the services of any external advisers and approving their fees and retention terms.

18. The Committee is authorised to seek any information it requires from any employee of the Group and to call any employee to be questioned at a Committee meeting as and when required. All employees are directed to co-operate with any request made by the Committee.

### **Annual General Meeting**

19. The Chair of the Committee shall attend the Annual General Meeting and be prepared to answer any shareholder questions on the Committee's activities.

### **Remit**

20. The Committee shall:
- (a) provide oversight of the Company's scientific and technological strategy, innovation and R&D processes and progress and investments including any environmental impacts;
  - (b) oversee the delivery of programmes and review reports on risks in relation to products not meeting safety expectations, or causing significant impact to customers or the environment through failure in engineering, design or manufacturing quality control;
  - (c) oversee programmes of SSE work including but not limited to:
    - i. progress reports on the implementation of annual plans and programmes;
    - ii. arising short term business or reputational critical issues of a SSE nature;
    - iii. the review of selected elements of the SSE governance framework; and
    - iv. the development, implementation and compliance with SSE related policies.
  - (d) oversee the Group's Sustainability strategy and, in particular, provide recommendations to the Board on environmental strategy and thereafter oversight of the Group's progress towards meeting its net-zero emissions targets;
  - (e) Provide oversight of the Smiths Excellence System and the framework through which continuous improvement programmes are designed, prioritised and implemented as they relate to paragraphs 20(a) to 20(d) above;

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- (f) review SSE targets, metrics and key performance indicators against which performance can be evaluated, and upon request from the Remuneration Committee, review proposals and make recommendations to the Remuneration Committee as to non-financial factors or metrics within the SSE remit which it considers relevant to Directors' and Senior Executives' remuneration;
- (g) oversee the Group's processes for ensuring that the views of the workforce, suppliers, customers and others on the Group's SSE practices are taken into account;
- (h) review the Company's non-financial reporting in particular information presented in the Company's Annual Report insofar as it relates to areas covered by these terms of reference;
- (i) keep under review the Group's external reporting on matters and commitments in line with the UN Sustainable Development Goals and as covered by these Terms of Reference such as submissions to the Science Based Targets Initiative and other external benchmarking organisations;
- (j) upon request of the Audit & Risk Committee, review any internal audit or other findings and corrective and preventive actions as well as any regulatory findings and fines/penalties in relation to SSE activities.

**Other Matters**

21. The Committee shall:

- (a) consider matters on its own initiative and consider what information and assurance it requires to properly carry out its duties;
- (b) be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- (c) at least annually, review its own performance and Terms of Reference and recommend any changes it considers necessary to the Board for approval;
- (d) work and liaise as necessary with all other Board committees;
- (e) make recommendations to the Board on any area within its remit where action or improvement is needed or desirable;
- (f) undertake any other duties as directed by the Board;
- (g) be provided with sufficient resources to undertake its duties, including access to the Company Secretariat for assistance as required; and

- (h) give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code, the requirements of the Financial Conduct Authority's Listing, Prospectus and Disclosure Guidance and Transparency Rules and any other applicable rules, as appropriate.

### **Reporting**

- 22. The Chair of the Committee shall report to the Board after each meeting on the Committee's proceedings and will promptly draw to the Board's attention matters requiring action or improvement.
- 23. The Committee shall comply with applicable legal and regulatory obligations to disclose information, including content required to be included in the Strategic Report contained within the Company's Annual Report. The report should also include:
  - (a) a summary of the role and work of the Committee;
  - (b) a list of the members of the Committee and a statement of the number of Committee meetings and attendance by each member over the previous year;
  - (c) details of how the Committee's performance evaluation has been conducted;
  - (d) the significant issues that the Committee has considered;
  - (e) details of any issues that could not be resolved between the Committee and the Board; and
  - (f) any statement of compliance or other information required by law or regulations.
- 24. In compiling the above disclosures, the Committee shall exercise judgement in deciding which of the issues it considers are significant.
- 25. These Terms of Reference shall be made available on the Company's website.

These Terms of Reference were approved by the Board on 16 November 2021.