

# VU Live: unlocking value for a global employee-base







## About Halma

Halma plc is a purpose-driven FTSE 100 group of global life-saving technology companies which provide innovative solutions to many of the key problems facing the world today. It has been a publicly listed company in the UK for over 45 years. Named as Britain's Most Admired Company in 2021, Halma employs over 7,000 people in more than 20 countries. It operates across three sectors. Safety: protecting life as populations grow and protecting worker safety; Environment: improving food and water quality, and monitoring air pollution; Health: meeting rising healthcare demand as growing populations age and lifestyles change.

Halma's purpose is 'to grow a safer, cleaner, healthier future for everyone, every day.' This purpose drives every business decision and is embedded within its culture. The combination of purpose, culture, strategy and business model is what differentiates Halma from its peers. Halma aims to deliver superior and sustainable value for its shareholders by setting challenging targets, and has an aspiration to double earnings every five years, while maintaining high returns. The de-centralised nature of the group means that each company operates as a separate legal entity with its own board of directors; this drives accountability for performance and supports good governance. It also allows companies to drive innovation in their chosen niche markets and be agile and responsive to

changes and to respond to their customers' needs to drive sustainable growth. Attracting and retaining the best people is a key enabler for Halma's growth. Rewarding superior performance and sustainable growth through short-term and long-term incentives is a critical aspect of its reward structure.

## The challenge

Halma's Executive Share Plan (ESP) is an important component of its reward structure and acts to motivate, retain and reward the circa 250 senior leaders and future leaders who are crucial for delivering Halma's strong track record of sustainable growth.

In 2015, when Mark Jenkins (now Company Secretary) joined Halma, the award and vesting process was very manual and admin-intensive. Participants were issued physical award letters via their manager at grant. Participants accepted their award by signing and returning a paper confirmation. At vesting, physical share certificates were issued by post. Both the award and vesting process took up to two months to be delivered around the world. Inevitably, this resulted in lost documents, which added time and cost. The inefficiency in the process and the inability of non-UK participants to sell certificated shares at low cost was also detracting from the aim to reward and motivate. Mark expands on the issues impacting Halma:

"Our small team pride ourselves on delivering great service to the Board and our operating companies. The slow and manual process that we had to endure in administering the ESP was a significant burden to us but more importantly a frustration to our participants. Having gone through two paper-based grant and vesting cycles, streamlining as much as possible, the delay of up to two months before participants received an award document or a share certificate was not efficient and not scalable."

It quickly became apparent to Mark that a technological solution was required to

automate part of the process and provide participants with an online system where they could safely hold their Halma shares in electronic form and trade in real-time on or shortly after the vesting date. The ability to view and accept awards shortly after the grant date and to sell and receive proceeds into their personal bank account within days of the trade were key requirements. Mark commented:

"When exploring the options for the right solution, I was very keen to maintain control of the data and be able to customise our communications. Some platforms and administrators don't offer a flexible and tailored approach – so they were never going to win my vote!"

Given Halma's growth aspirations, the solution needed to be scalable and customisable. Following a market review, Investec's offering stood out as the clear leader in terms of flexibility, price and service.

## The Solution

Investec's tech-enabled solution allows companies to reduce the admin time versus a paper-based, internally administered award process and provides employees with a portal where they can view, accept, exercise and sell their awards with ease. The solution is a complete share plan services package born from a corporate broking environment which includes:

- an online platform for companies to have full control over their share plan admin;
- an online portal (VU Live) for participants to view and manage their share awards from any device;

- a real-time trading interface with Investec Corporate Broking. Automated settlements and foreign exchange avoids delays in trading or transfer of sale proceeds to employees;
- a safe custody arrangement in partnership with the company's employee benefit trust (EBT) and corporate nominee provider.

Through the dedicated and proactive Investec team, Halma was able to deploy the solution quickly and with ease. When asked for his thoughts on the Investec solution, Mark said:

"The Investec platform is the best kept secret and a real game-changer for companies that are struggling to deliver their share plans efficiently. We, like others, were fearful of a fully outsourced model – which passes the risk to a third party and removes the personal and tailored nature of our communications. The Investec solution brings the best of both worlds – maintaining our control over the data and documentation, while utilising technology to rapidly execute the process."

Mark praised the approach and support given by the Investec team in implementing the solution:

"Investec were with us every step of the way – ensuring that the historic awards were correctly loaded on the portal and supporting us with ongoing grant and vesting events. The setup and launch took a matter of weeks to complete and the fact that this is an extremely cost effective solution should put a smile on any Finance Director's face!"

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## Outcome:

Halma and its participants have been using Investec's share plan platform since 2017 and the value it has brought has been revolutionary. Mark summarises his experience:

"This solution has been a step change for Halma and has been really well received by our participants. The share award and

vesting cycle always creates a peak in our workload but thanks to Investec, we can deliver this process in the most efficient way, which ensures that we can scale up without additional resource and continue to deliver a first class service to our valued colleagues. The corporate dealing rates and professional broker execution have been very well received – particularly by those outside the UK, where trading is typically difficult and costly."

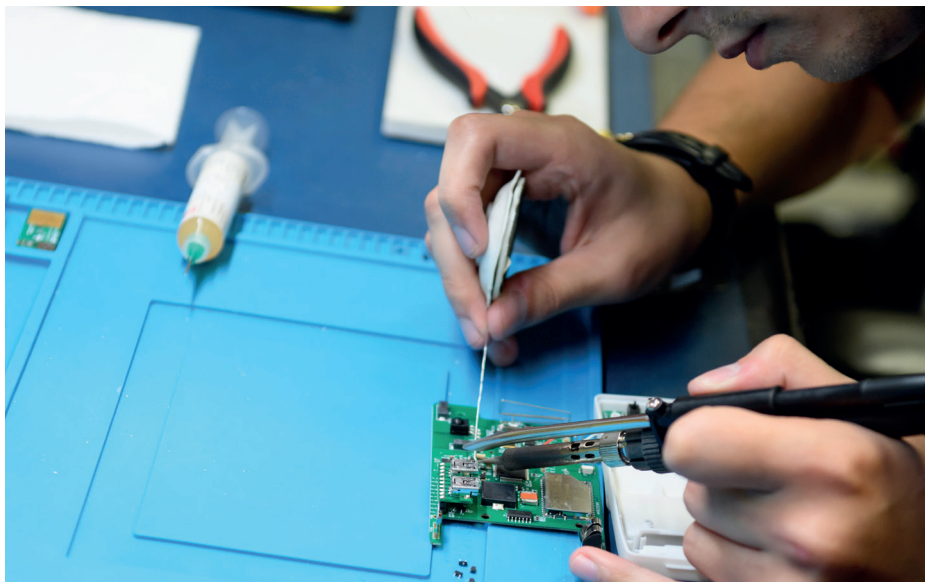
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Investec's Aleda Denner speaks about the partnership with Halma:

"We've really enjoyed working with Mark and the team for the last few years. They had a clear objective when they reached out to us and were keen to make sure the solution was 100% right for them. Due to our technology's flexibility and clear interfaces, we were able to configure it with ease for Halma's requirements.

Our relationship with Halma began not too long after Investec entered the UK share plans market and we were very happy to see such success in one of our first implementations."



## Get in touch with us

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