

Division of Matters between Chair and Chief Executive

Approved by the Board on: 19 March, 2021

Introduction

The UK Corporate Governance Code requires there to be a clear division of responsibilities between the Chair and the Chief Executive set out in writing and agreed by the board of directors of the Company (the "**Board**").

Although the Board agrees with the approach set out in the UK Corporate Governance Code, it recognises that overly prescribing the responsibilities of the Chair and the Chief Executive may reduce their flexibility to act in unforeseen circumstances. Accordingly, although this paper sets out a clear division of responsibilities, it is not intended to provide a definitive list of the individual responsibilities of the Chair or the Chief Executive.

1. Principles

1.1 The Chair is responsible for leadership of the Board and for ensuring its overall effectiveness in directing the Company and in all aspects of its role, including the satisfaction of its legal, regulatory, and shareholder responsibilities, and for promoting the highest standards of integrity, probity and corporate governance.

1.2 The Chief Executive leads the team with executive responsibility for running the businesses of the Company, PensionBee Limited and any subsidiaries the Company may have from time to time (the "**Group**").

2. Responsibilities of the Chair

The Chair is responsible for the leadership of the Board. In particular, the Chair will:

2.1 *Board Meetings*

2.1.1 Chair Board meetings.

2.1.2 Demonstrate objective judgement, providing an independent perspective and constructive challenge.

2.1.3 Promote a culture of openness and debate within the Board by facilitating constructive board relations and the effective contribution of all directors and encourage active engagement and appropriate challenge by Board members.

2.1.4 Shape the culture in Board meetings.

2.1.5 In conjunction with the Chief Executive and Company Secretary, set the Board's agenda and ensure that adequate time is available for full and open discussion of all agenda items, in particular for strategic, complex or contentious issues. The Chair will ensure that Board agendas have a focus on strategy, performance, value creation, culture, stakeholders and accountability.

2.1.6 Hold meetings with the non-executive directors without the executive directors present in order to facilitate a full and frank airing of views (at least once per year).

2.1.7 Ensure that directors receive accurate, timely, high-quality and clear information on the basis of which they can make sound decisions.

2.1.8 Effectively monitor and provide advice to management to promote the success of the Company.

2.1.9 Ensure the non-executive directors are kept fully informed (in a timely manner) of strategic or important developments affecting the Company.

2.2 *Development, Induction and Performance Evaluation*

2.2.1 Foster constructive relationships between the non-executive directors and the executive directors.

2.2.2 Build an effective and complementary Board and, in conjunction with the Company's nomination committee (the "**Nomination Committee**"), initiate change and consider succession planning (except that of a successor to the Chair) and Board composition.

2.2.3 Review and agree, with each director, their training and development, and ensure that all directors continually update their skills and knowledge and familiarity with the Group so as to enable them to fulfil their role on the Board and its Committees and discharge their statutory duties.

- 2.2.4 Consider ways of seeking feedback from the workforce and other stakeholders on the performance of the Board and individual directors.
- 2.2.5 Ensure, with the assistance of the Company Secretary, that new directors participate in a full, formal and tailored induction programme.
- 2.2.6 Provide guidance and mentoring to new directors.
- 2.2.7 Select an appropriate approach for the board evaluation process (at least once a year), involving the senior independent director, as appropriate.
- 2.2.8 Consult with the Senior Independent Director of the Company on Board matters.
- 2.2.9 Manage the process of any external Board evaluation, which shall happen at least once every three years.
- 2.2.10 Share the outcome of the Board evaluation with the Board for discussion.
- 2.2.11 Ensure any necessary action is taken on the results of the annual performance evaluation of the performance of the Board, its Committees and the individual directors.
- 2.2.12 Summarise the outcomes and actions of the Board evaluation process in the annual report.
- 2.2.13 Report on board leadership and effectiveness in the annual report.

2.3 *Relations with Shareholders and other Stakeholders*

- 2.3.1 Represent the Group externally with key stakeholders.
- 2.3.2 Chair shareholder meetings.
- 2.3.3 Arrange for all directors to attend and for the chair of the Board Committees to be available to answer questions at the AGM.
- 2.3.4 Ensure that the Board listens to the views of shareholders, the workforce, customers and other key stakeholders by ensuring effective communication with them in order to understand their issues and concerns (in particular discussing governance, strategy and remuneration with them), and communicating issues to the Board.

3. **Responsibilities of the Chief Executive**

The Chief Executive is responsible for the leadership of the business. In particular, the Chief Executive will:

3.1 *Business and Strategy*

3.1.1 Work closely with the Chair and the Board to propose, develop and implement the Company's strategy and overall commercial objectives.

3.1.2 Represent the Company and oversee and manage all business activities, operations and performance of the Group within the authority delegated by the Board.

3.1.3 Lead the senior management team of the Group in the day-to-day running of the Group's business.

3.1.4 Ensure that the Board's strategies, objectives and decisions are implemented in a timely and effective manner.

3.1.5 Regularly review the Group's operational performance and strategic direction and report accurately in agreed formats to the Board and the Committees.

3.1.6 Evaluate opportunities for growth through acquisitions identified internally or brought to the Group.

3.1.7 Create and oversee the implementation of new product/market development for the business, ensuring that the appropriate outcomes for customers have been considered.

3.1.8 Review and manage cost control and operating efficiencies throughout the Group.

3.1.9 Recommend the annual budget and financial plans for the Group.

3.2 *Communication with the Board, Shareholders and the Workforce*

3.2.1 Attend Board meetings to report to the Board on matters affecting the Group.

3.2.2 Maintain a dialogue with the Chair and the Board on important and strategic issues facing the Group, and propose Board meeting agenda items to the Chair that reflect these issues. Alert the Chair to forthcoming complex, contentious or sensitive issues affecting the Group.

3.2.3 Support the Chair to make certain that appropriate standards of governance permeate through all parts of the Group.

3.2.4 Ensure that the Board knows the views of senior management on business issues and ensure the senior management team gives appropriate priority to providing reports to the Board which contain accurate, timely and clear information.

3.2.5 Lead the investor relations programme, and ensure that the Board is made aware of shareholders' views on relevant issues.

3.2.6 Provide a structure for timely and accurate disclosure of information, including an escalation route for key issues as they arise.

3.2.7 Set an example to the workforce, communicating to them the Company's expectation in respect of the Company's culture and ensuring the operational policies and practices drive appropriate behaviour.

3.2.8 Ensure that the Board is made aware of views gathered via engagement between management and the workforce.

3.2.9 Represent the Group externally with other key stakeholders.

3.2.10 Ensure that the Chair is appropriately informed of the CEO's current areas of activities and work closely together as a team to promote the long-term success of the Group.

3.2.11 Agree with the Chair on the respective CEO /Chair roles in setting major tasks and in taking new initiatives.

3.2.12 Ensure that there is clear articulation of responsibilities amongst members of the Executive Team with a clear organisational design.

3.2.13 Ensure succession plans are put in place for the Executive Team (in conjunction with the Nomination Committee) and arrange appropriate development.

3.2.14 Approve the appointment and termination of the employment of Executive Team members.

3.3 *Risk Management and Governance*

3.3.1 Oversee safety management processes, including the system for reporting incidents and safety training programmes.

3.3.2 Monitor and maintain high standards of corporate governance.

3.3.3 Conduct the affairs of the Group with the highest standards of integrity and having regard to the Group's responsibilities. Safeguard the reputation of the Group.

3.3.4 Manage the Group's risk profile in line with the extent and categories of risk identified as acceptable by the Board and the Audit and Risk Committee.