

# PensionBee Investment Committee

## Terms of Reference

Adopted by the Board of PensionBee Group on: 19 March 2021

The PensionBee Group **consists** of PensionBee Group PLC (the “Parent”) and PensionBee Limited (the “Subsidiary”).

### 1. Membership

1.1 The committee shall comprise at least three members. Members of the committee shall be appointed by the board, on the recommendation of the nomination committee in consultation with the chair of the investment committee.

1.2 At least two members of the committee shall be independent non-executive directors, at least one of whom shall have recent and relevant financial experience and with competence in investments. The Chief Executive Officer will be a member of the committee.

1.3 Only members of the committee have the right to attend committee meetings. However, the Chief Engagement Officer, Head of Finance, and appropriate other representatives from the Group and the external lead partner of the Governance Advisory Arrangement (when in place) may be invited to attend meetings of the committee on a regular basis and other non-members may be invited to attend all or part of any meeting as and when appropriate and necessary.

1.4 The board shall appoint the committee chair. In the absence of the committee chair and/or an appointed deputy at a committee meeting, the remaining members present shall elect one of themselves to chair the meeting.

1.5 On any vote of the committee, the majority shall prevail, with the committee chair holding the casting vote

### 2. Secretary

The Chief Engagement Officer, or his or her nominee, shall act as the secretary of the committee and will ensure that the committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

### 3. Quorum

The quorum necessary for the transaction of business shall be three members, including at least one Non-Executive Director.

#### **4. Frequency of meetings**

- 4.1. The committee shall meet at least three times a year at appropriate intervals.
- 4.2. Interim “specific issue(s)” meetings may be convened by the committee secretary at the request of the committee chair and typically subject to at least three days’ notice. In particular, where there is a concern about serious underperformance of a fund or an emergency operational issue such as a fund mandate breach, an ad hoc committee meeting may be called
- 4.3. Outside of the formal meeting programme, the committee chair, and to a lesser extent the other committee member, will maintain a dialogue with key individuals involved in the Group’s investment product range.

#### **5. Notice of meetings**

- 5.1. Meetings of the committee shall be convened by the secretary of the committee at the request of any of its members.
- 5.2. Unless otherwise agreed by the committee, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the committee no later than five working days before the date of the meeting. Supporting papers shall be sent to committee members at the same time.
- 5.3. Notices, agendas and supporting papers will be sent in electronic form, unless requested in another form.
- 5.4. The committee secretary shall circulate a report in advance of each meeting relating to breaches under scope 7.2.2.

#### **6. Minutes of meetings**

- 6.1. The secretary shall minute the proceedings and decisions of all meetings of the committee, including recording the names of those present and in attendance.
- 6.2. Draft minutes of committee meetings shall be agreed with the committee chair and then circulated promptly to all members of the committee, unless it would be inappropriate to do so in the opinion of the committee chair.

#### **7. Duties**

The committee should have oversight of the Group’s investment proposition and, unless required otherwise by regulation, carry out the duties below for the Group’s, major subsidiary undertakings and the group as a whole. The committee shall:

## **7.1 Review the product offering to customers**

The committee will use an agreed methodology to review:

- 7.1.1 The available range of options for the Group's customers, including in accumulation and decumulation
- 7.1.2 The selection or change of plans and asset managers
- 7.1.3 The choice architecture available to customers
- 7.1.4 The pricing of each plan relative to peers
- 7.1.5 The performance of each plan relative to peers
- 7.1.6 The risk profile of each plan
- 7.1.7 Processes around customer communication and support
- 7.1.8 Administration service and core financial transactions
- 7.1.9 Environmental, social and governance considerations
- 7.1.10 The retirement offering

## **7.2 Fund manager terms and performance**

The committee will review the following aspects of fund manager performance:

- 7.2.1 Service levels, including reporting
- 7.2.2 Breaches
- 7.2.3 Changes to terms and conditions
- 7.2.4 Other

## **7.3 Narrative reporting**

Where requested by the board, the committee should review the content of the annual report on the investment offering and advise the board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess whether the Group is providing value for money to its customers.

## **7.4 Governance Advisory Arrangement**

The committee shall:

7.4.1 consider and make recommendations to the board in relation to the appointment, re-appointment and removal of the Group's Governance Advisory Arrangement;

7.4.2 develop and oversee the selection procedure for the appointment of the Governance Advisory Arrangement, ensuring that all tendering firms have access to all necessary information and individuals during the tendering process;

7.4.3 if a Governance Advisory Arrangement resigns, investigate the issues leading to this and decide whether any action is required;

7.4.4 oversee the relationship with the Governance Advisory Arrangement. In this context the committee shall:

7.4.4.1 approve their remuneration and ensure that the level of fees is appropriate to enable an effective and high-quality examination to be conducted; and

7.4.4.2 approve their terms of engagement, including any engagement letter issued at the start of each examination and the scope of the examination;

7.4.5 satisfy itself that there are no relationships between the Governance Advisory Arrangement and the Group (other than in the ordinary course of business) which could adversely affect the Governance Advisory Arrangement's independence and objectivity;

7.4.6 meet with the Governance Advisory Arrangement to discuss any matters of interest.

## **8. Reporting responsibilities**

8.1 The committee chair shall report formally to the board on its proceedings after each meeting on all matters within its duties and responsibilities and shall also formally report to the board on how it has discharged its responsibilities. This report, which shall be prepared by the committee secretary and approved by the committee chair, shall include:

8.1.1 the significant issues that it considered in relation to the investments and how these were addressed;

8.1.2 its assessment of the effectiveness of the Governance Advisory Arrangement, the approach taken to the appointment or reappointment of the Governance Advisory Arrangement, length of tenure of the Governance Advisory Arrangement, when a tender was last conducted and advance notice of any retendering plans; and

8.1.3 any other issues on which the board has requested the committee's opinion.

8.2 The committee shall make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed.

## **9. Other matters**

The committee shall:

9.1 have access to sufficient resources in order to carry out its duties, including access to the Group company secretariat for assistance as required;

9.2 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;

9.3 give due consideration to relevant laws and regulations, the provisions of the Code and the requirements of the Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules sourcebook and any other applicable rules, as appropriate;

9.4 work and liaise as necessary with all other board committees; and

9.5 arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board.

## **10. Authority**

The authority of the committee derives from the board's establishment of the committee and the approval of these terms of reference on the date referenced above.

The committee is authorised to:

10.1 seek any information it requires from any employee of the Group in order to perform its duties; and

10.2 obtain, at the Group's expense, independent legal, accounting or other professional advice on any matter it believes it necessary to do so.