



PensionBee Remuneration 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. Composition and Meetings of Remuneration Committee

1.1 The Remuneration Committee comprises not less than three non executive directors of the Group, to be appointed by the board of directors of the Group (the "**Board**"), (on the recommendation of the Nomination Committee and in consultation with the chair of the Remuneration Committee), who are all independent in character and judgement and free from any relationships or circumstances which are likely to affect, or could appear to affect, the Committee member's judgement. The Chair of the Board may also serve on the Remuneration Committee as an additional member if they were considered independent on appointment as Chair. Appointments to the Remuneration Committee shall be for a period of up to three years extendable by no more than two additional three year periods, so long as members (other than the chair of the board, if they are a member of the committee) continue to be independent. The Board must, from time to time, review the composition of the Remuneration Committee to ensure that membership of the Remuneration Committee rotates amongst the Group's independent non executive directors.

1.2 If any member of the Remuneration Committee is unable to act for any reason, the chair of the Remuneration Committee may appoint any other independent non executive director of the Group to act as their alternate.

1.3 The chair of the Remuneration Committee who shall be an independent non executive director shall be appointed by the Board. Before appointment as chair of the Remuneration Committee, the appointee should have served on a remuneration committee for at least 12 months. In the absence of the chair of the Remuneration Committee, the remaining members present shall elect one of their number to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board. The Chair of the Board shall not be chair of the Remuneration Committee.

1.4 The Group Company Secretary (or their nominee) shall be the secretary of the Remuneration 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 the issues.

1.5 The quorum for meetings of the Remuneration Committee is any two of its members.

1.6 No one other than a Committee Member is entitled to attend meetings of the Remuneration Committee but others may attend by invitation. The chief executive, the chief operating officer, the head of human resources and external advisers may be invited to attend for all or part of any meeting as and when appropriate and necessary.

1.7 Meetings of the Remuneration Committee are to be held not less than twice a year and at such other times as the chair of the Remuneration Committee shall require. Any of the Committee members may request a meeting of the Remuneration Committee if they consider it necessary, to be arranged by the secretary.

1.8 Unless otherwise agreed, 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 and any other person required to attend no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time.

1.9 No Remuneration Committee member shall participate in any discussion or decision on their own remuneration.

2. Duties of the Remuneration Committee

2.1 The duties of the Remuneration Committee are:

2.1.1 to set the remuneration policy for all executive directors, the Chair of the Group and senior management, including pension rights and any compensation payments and their cost and in accordance with the Principles and Provisions of the UK Corporate Governance Code. The board itself or, where required by the Articles of Association, the shareholders should determine the remuneration of the non executive directors within the limits set in the Articles of Association. No director or senior manager shall be involved in any decisions as to their own remuneration;

2.1.2 to review workforce remuneration and related policies and the alignment of incentives and rewards with culture, and consider the UK Corporate Governance Code requirements for clarity, simplicity, risk mitigation, predictability and proportionality, taking these into account when setting the policy for executive director remuneration;

2.1.3 to ensure that remuneration policies and practices are designed to support strategy and promote long-term sustainable success. In particular, to ensure that executive remuneration is aligned to Group purpose and values, be clearly linked to the successful delivery of the Group's long-term strategy and supports alignment with long term shareholder interests, with share awards subject to a total vesting and holding period of at least five years;

2.1.4 to ensure that, in setting remuneration policies, all other factors which it deems necessary are taken into account, including relevant legal and regulatory requirements, the provisions and recommendations of the UK Corporate Governance Code and associated guidance. The objective of the Group's remuneration policies shall be to attract, retain and motivate executive management of the quality required to run the Group successfully without paying more than is necessary, having regard to views of shareholders and other stakeholders;

2.1.5 to review the ongoing appropriateness and relevance of the remuneration policy;

2.1.6 to approve the design of, and determine targets for, any performance related pay schemes operated by the Group and approve the total annual payments made under such schemes;

2.1.7 to ensure that remuneration schemes and policies enable the use of discretion to override formulaic outcomes and include provisions that enable the Group to recover and/or withhold sums or share awards and specify the circumstances in which it would be appropriate to do so;

2.1.8 to review the design of all share incentive plans for approval by the Board and shareholders. For any such plans, to determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to executive directors, the Group Company Secretary and other senior management and the performance targets to be used;

2.1.9 to determine the policy for, and scope of, pension arrangements for each executive director, the Chair and other senior management, noting that pension commitments for executive directors, or payments in lieu, should be aligned with those available to the workforce;

2.1.10 to ensure that contractual terms on termination, and any payments made, are fair to the individual and the Group, that failure is not rewarded and that the duty to mitigate loss is fully recognised;

2.1.11 within the terms of the agreed policy and in consultation with the Chair and/or chief executive as appropriate, to determine the total individual remuneration package of each executive director, the Chair and members of senior management including bonuses, incentive payments and share options or other share awards. The choice of financial, non-financial and strategic measures is important, as is the exercise of independent judgement and discretion



when determining remuneration awards, taking account of Group and individual performance, and wider circumstances;

2.1.12 to review and have regard to pay and employment conditions across the Company/Group especially when determining annual salary increases;

2.1.13 to develop a formal policy for post-employment shareholding requirements encompassing both unvested and vested shares;

2.1.14 to oversee any major changes in employee benefits structures throughout the Company or Group;

2.1.15 to agree the policy for authorising claims for expenses from the directors;

2.1.16 to be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the committee (whilst noting that the committee should avoid designing pay structures based solely on benchmarking to the market or on the advice of remuneration consultants);

2.1.17 to obtain reliable, up to date information about remuneration in other companies;

2.1.18 to make recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed, and ensure adequate time should be available for Board discussion where necessary;

2.1.19 ensure that provisions regarding disclosure of information, including pensions, as set out in the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008, The Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019 and the UK Corporate Governance Code, are fulfilled;

2.1.20 to produce a report of the Group's remuneration and practices to be included in the Group's annual report in line with the requirements of the UK Corporate Governance Code and ensure each year that it is put to shareholders for approval at the AGM. If the committee has appointed remuneration consultants, the annual report of the Group's remuneration should identify such consultants and state whether they have any other connection with the Group;

2.1.21 to work and liaise as necessary with other Board committees, ensuring the interaction between committees and with the Board is reviewed regularly; and

2.1.22 to consider other matters as referred to the Remuneration Committee by the Board.

3. Remuneration Committee Chair

3.1 The Remuneration Committee's chair shall:

3.1.1 report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities;

3.1.2 attend the AGM prepared to answer any shareholder questions on the Remuneration Committee's activities; and

3.1.3 ensure that the Group maintains contact as required with its principal shareholders about remuneration.

4. Remuneration Committee Secretary

4.1 The Secretary shall:

4.1.1 minute the proceedings and resolutions of all meetings of the Remuneration Committee, including recording the names of those present and in attendance;

4.1.2 ascertain, at the beginning of each meeting the existence of any conflicts of interest and minute them accordingly; and

4.1.3 promptly circulate minutes of the Remuneration Committee meetings to all members of the Remuneration Committee and, once agreed, to all members of the Board, unless a conflict of interest exists.

5. Authorisations

5.1 The Remuneration Committee is authorised by the Board:

5.1.1 to investigate remuneration paid to directors of other companies of a similar size in a comparable industry sector in the UK;

5.1.2 to obtain information it requires (including, without limitation, information on the remuneration of any employee or member of the wider workforce) from any employee of a Group Company;

5.1.3 to obtain, at the Group's expense, such legal or other independent professional advice as it deems necessary to fulfil its responsibilities;

5.1.4 to obtain, at the Group's expense, but within any budgetary constraints imposed by the Board, remuneration consultants, and to commission or purchase any relevant reports, surveys or information which it deems necessary to help fulfil its duties;

5.1.5 to obtain the advice and assistance of any of the Group's executives provided their role in providing such advice and assistance is clearly separated from their role within the business; and

5.1.6 to secure the attendance of any person with relevant experience and expertise at committee meetings if it considers this appropriate.

6. Other Matters

6.1 The Remuneration Committee shall:

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

6.1.2 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;

6.1.3 give due consideration to laws, regulations and any published guidelines or recommendations regarding the remuneration of directors of non-listed companies and formation and operation of share schemes including but not limited to the provisions of the UK Corporate Governance Code, the requirements of the London Stock Exchange's High Growth Segment Rulebook, Prospectus Regulation Rules and Disclosure Guidance and Transparency Rules as well as guidelines published by the Investment Associates and the Pensions and Lifetime Savings Association and any other applicable rules, as appropriate; and

6.1.4 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 for approval.