

Remuneration Committee Charter and Terms of Reference

These terms of reference were last reviewed and approved by the Board of Directors (“the Board”) on 1 May 2025.

1. Purpose and Primary Duty

The Remuneration Committee (“the Committee”) is established by the Board primarily for the purpose of helping Pearson achieve its goal of being the best employer in the world.

2. Membership

- 2.1. Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination & Governance Committee in consultation with the Chair of the Committee (“the Committee Chair”). The Committee shall comprise at least three members, all of whom shall be independent (as defined by the UK Corporate Governance Code (the “Code”)) Non-Executive Directors. The Chair of the Board may also serve on the Committee as an additional member if they are considered independent (as defined by the Code) on appointment as Chair.
- 2.2. The members of the Committee may be removed or replaced and any vacancies shall be filled by the Board upon recommendation of the Committee Chair or Nomination & Governance Committee.
- 2.3. The Committee may ask the Chief Executive, other directors, managers and advisers to attend meetings either regularly or by invitation, but the invitees have no right of attendance.
- 2.4. The Board shall appoint the Committee Chair who shall be an independent Non-Executive Director. Before appointment as Committee Chair, the appointee will have served on a remuneration committee (either at the Company or another company) for at least 12 months. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of their number present to chair the meeting. The Chair of the Board shall not be the Committee Chair.
- 2.5. Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three-year periods, provided the director still meets the criteria for membership.

3. Secretary

The Company Secretary or their 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 the issues.

4. Quorum

The quorum necessary for the transaction of business shall be two members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

5. Frequency of Meetings

The Committee shall meet not less than three times a year and at such other times as the Committee Chair shall require.

6. Agenda for Meetings

The Committee Chair shall develop and set the Committee's agenda, in consultation with Pearson management.

7. Notice of Meetings

- 7.1. Meetings of the Committee shall be summoned by the Secretary of the Committee on instruction from the Committee Chair or at the request of any of its members.
- 7.2. 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, any other person required to attend and all other Non-Executive Directors, normally 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.

8. Minutes of Meeting

- 8.1. The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- 8.2. Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the Board, unless a conflict of interest exists or in the opinion of the Committee Chair it would be inappropriate to do so.

9. Engagement with Shareholders

The Committee Chair, or if they are unable to attend, any other member of the Committee, shall attend the Annual General Meeting ("AGM") prepared to respond to any shareholder questions on the Committee's activities. In addition, either directly or through the Board Chair, the Committee Chair should seek engagement with shareholders on behalf of the Committee on significant matters related to the Committee's areas of responsibility.

10. Duties

- 10.1. The Committee shall determine and regularly review:
 - 10.1.1. the remuneration policy for the Executive Directors (which shall be subject to approval by shareholders from time to time); and
 - 10.1.2. the remuneration policy or policies for the Pearson Executive Management Team and the Company Secretary ("Senior Management").
- 10.2. The remuneration policies (both for Executive Directors and Senior Management) shall each include the framework or broad policy for base salary, annual and long-term incentives, pension arrangements, any other benefits, and termination of employment. The objectives of such policies shall be:

- 10.2.1. to support strategy and promote the long-term sustainable success of the Company, with performance-related elements being transparent, stretching and rigorously applied; and
- 10.2.2. to attract, retain and motivate the quality of talent required to run the Company successfully, having regard to views of shareholders and other stakeholders, risk and alignment to the Company's long-term strategic goals.

In addition, when determining the Executive Director remuneration policy and practices, the Committee will consider the Code requirements for clarity, simplicity, risk mitigation, predictability, proportionality and alignment to culture.

- 10.3. The Committee shall determine and approve the individual remuneration and benefits packages, including on appointment or termination, of the Executive Directors and Senior Management. No Executive Director or member of Senior Management shall be involved in any decisions as to their own remuneration.
- 10.4. The Committee will establish remuneration schemes that promote long-term shareholding by Executive Directors that support alignment with long-term shareholder interests.
- 10.5. In determining the remuneration policies and the individual remuneration and benefits packages for Executive Directors and Senior Management, the Committee shall take into account all factors which it deems necessary and shall:
 - 10.5.1. give due regard to any relevant legal requirements, the provisions and recommendations in the Code and the Financial Conduct Authority's Listing Rules (the "Listing Rules") and associated guidance;
 - 10.5.2. have regard to the advice of the Chief Executive or the Chair of the Board as appropriate;
 - 10.5.3. give due regard to the wider workforce remuneration and related policies and the alignment of incentives and reward with culture;
 - 10.5.4. to the extent the Committee deems necessary, review the remuneration and benefits packages of comparable companies.

The Committee will take into account a number of factors when designing remuneration and benefits packages and ensure that these structures are not based solely on benchmarking to the market and advice received from remuneration consultants.

- 10.6. The Committee shall review the ongoing appropriateness and relevance of the remuneration policy.
- 10.7. The Committee shall approve the design of, and determine targets for, any performance-related pay plans operated by the Group for the Executive Directors and Senior Management and approve the total annual payments to be made under such plans.
- 10.8. The Committee shall consider whether and how to incorporate sustainability-related metrics within any performance-related pay plans and review, if appropriate, performance against said sustainability metrics to support remuneration decisions.
- 10.9. The Committee shall review the design of all share incentive plans operated by the Group, including guidelines for the operation of such plans as a whole and, where

relevant, recommend such plans for approval by the Board and/or shareholders. For any such plans, the Committee shall determine each year whether awards will be made and, if so, the overall amount of such awards, the individual awards to Executive Directors and Senior Management and, where relevant, the performance measures and targets to be used.

- 10.10. In designing remuneration schemes, the Committee shall ensure that provisions are included that will enable the Company to recover sums paid or withhold the payment of any sum, and specify the circumstances in which it would be appropriate to do so. In addition, the Committee shall be responsible for determining whether to apply such provisions in any individual case relating to remuneration for Executive Directors and Senior Management.
- 10.11. The Committee shall ensure that remuneration schemes and policies enable the use of discretion to override formulaic outturns, and exercise independent judgement and discretion when authorising remuneration outcomes, taking account of Company and individual performance, and wider circumstances.
- 10.12. The Committee shall review and approve proposals on general and specific arrangements in connection with the appointment and termination of employment of Executive Directors and Senior Management. The Committee shall carefully consider what compensation commitments (including pension contributions and all other elements) the terms of appointment would entail in the event of early termination. The aim should be to ensure that arrangements are fair to the individual and the Company, and to avoid rewarding poor performance.
- 10.13. As part of its duties under 10.3, the Committee shall, together with the Chair of the Board and the other independent directors (as directed by the Board), review and approve corporate goals and objectives relevant to Chief Executive remuneration, evaluate the Chief Executive's performance in light of those goals and objectives, and determine and approve the Chief Executive's remuneration based on this evaluation.
- 10.14. The Committee shall have delegated responsibility for determining the remuneration and benefits package of the Chair of the Board and share its proposals with the Board for information. The remuneration of Non-Executive Directors shall be a matter for the Chair of the Board and the executive members of the Board within the limits set in the Articles of Association.
- 10.15. The Committee shall review workforce remuneration and related policies.
- 10.16. The Committee shall agree the policy for authorising claims for expenses from the Executive Directors.
- 10.17. The Committee shall, where required by law to do so, ensure that any remuneration payment or payment for loss of office to any current or former Chair or Executive Director of the Board is consistent with the most recent directors' remuneration policy that has been approved by shareholders or is otherwise approved by the shareholders as required by the Regulations, the Companies Act, the Listing Rules and all other relevant laws and regulations.
- 10.18. The Committee shall work and liaise, as necessary, with other Board committees, ensuring the interaction between committees and with the Board is reviewed regularly.

11. Reporting Responsibilities

- 11.1. The Committee Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 11.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 11.3. The Committee shall:
 - 11.3.1. ensure that provisions regarding disclosure of information relating to directors' remuneration as set out in The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations ("the Regulations"), the Companies Act 2006 ("the Companies Act"), the Listing Rules, the Code and all other relevant laws and regulations (each as amended from time to time) are fulfilled and that a report(s) on the directors' remuneration including, where required, the directors' remuneration policy and its implementation, will form part of the Company's Annual Report;
 - 11.3.2. ensure that, if the Company has appointed remuneration consultants, the annual report on implementation of the Company's remuneration policy should identify such consultants and state whether they have any other connection with the Company or individual directors;
 - 11.3.3. ensure that the report(s) referred to in paragraph 11.3.1. above are put to the shareholders for approval as required by the Regulations, the Companies Act, the Listing Rules, the Code and all other relevant laws and regulations;

12. Other

- 12.1. The Committee shall, at least once a year, review its own performance by way of evaluation, its constitution and its charter and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.
- 12.2. The Committee shall have access to sufficient resources in order to carry out its duties, including access to the Company Secretariat for assistance as required.
- 12.3. The Committee shall 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.
- 12.4. The Committee shall give due consideration to all relevant laws, regulations and any published guidelines or recommendations regarding the remuneration of directors of listed companies and formation and operation of share plans including but not limited to the provisions of the Code, the requirements of the Listing Rules, Prospectus Rules, and Disclosure and Transparency Rules.

13. Authority

- 13.1. The Committee is authorised by the Board to seek any information it requires from any employee of the Company in order to perform its duties.
- 13.2. The Committee and each of its members is authorised by the Board to obtain, at the Company's expense, any outside legal or other professional advice, including the

advice of independent remuneration consultants, to secure the attendance of external advisers at its meetings if it considers this necessary, and to obtain reliable, up-to-date information about remuneration in other companies. The Committee shall be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee and shall be responsible for monitoring the cost of such advice.

- 13.3. The Committee has full authority to commission any reports or surveys or ask any questions of any person it deems necessary to help fulfil its obligations, at the expense of the Company.
- 13.4. The Committee is authorised by the Board to delegate any of its powers to one or more of its members or the Secretary.