

Schedule of Matters Reserved for the Board

This schedule of matters reserved for the Board was last reviewed and approved by the Board of Directors (“the Board”) on 5 December 2024.

The following are matters reserved to the Board:

1. Strategy, culture & risk appetite

- a) Responsibility for the overall leadership of the company and setting the company's purpose, vision, mission and values, including monitoring and promoting the culture and how the desired culture has been embedded within the company.
- b) Determining the company's strategy in consultation with management and reviewing performance against it.
- c) Determining the nature and extent of the significant risks the company is willing to take in achieving its strategic objectives, maintaining sound risk management and internal control systems and commenting on such matters in line with the company's reporting obligations.

2. Transactions & expenditure

- a) **APPROVAL** of the financial Schedule of Authority of the company to the extent not delegated to the Audit Committee, including in particular the Chief Executive's authority limits.
- b) **APPROVAL** of all transactions or financial commitments exceeding the Chief Executive's authority limits under the most recently approved financial Schedule of Authority including (for example):
 - i. Acquisitions, disposals and other corporate transactions above £15 million/\$20 million per transaction.
 - ii. Plant expenditures, royalties or other expenditures, or real estate transactions, above £30 million/\$39 million.
 - iii. **APPROVAL** of the capital expenditure budget.
 - iv. **APPROVAL** of non-standard or negotiated revenue transactions above £150 million/\$200 million per contract.
- c) **APPROVAL** of any decision to cease to operate all or any material part of the company's business.
- d) **APPROVAL** of major changes to the company's corporate structure (with appropriate exceptions for intra-group transactions), management and control structure or its status as a plc.

3. Finance and Capital Structure

- a) **APPROVAL** of major changes to the group's capital structure including reduction of capital, share issues (except under employee share plans) and share buy backs (including the use of treasury shares), to the extent not delegated to the Standing Committee.
- b) **APPROVAL** of all uncapped performance guarantees and all other Pearson plc guarantees for which approval has not been delegated to the Standing Committee.

- c) **APPROVAL** of group accounting policies.
- d) **APPROVAL** of interim dividends, **RECOMMENDING** final dividends to shareholders and **APPROVAL** of financial statements.
- e) Borrowing powers, in excess of those delegated to the Standing Committee.

4. Board and Corporate Governance

- a) **APPROVAL** of appointments, assessment of performance and, if necessary, removal of Directors, including:
 - i. the Chief Executive (assessment and removal effected through Chair and Non-Executive Directors);
 - ii. any other Executive Director (assessment and removal effected through Chair, Chief Executive and Non-Executive Directors); and
 - iii. the Chair (assessment and removal effected through Non-Executive Directors, led by the Deputy Chair / Senior Independent Director in consultation with the Executive Directors).
- b) **APPROVAL** of appointment and removal of the Company Secretary.
- c) Ensuring adequate succession planning for the Board and senior management.
- d) Determining the remuneration of the Non-Executive Directors, subject to the Articles of Association and shareholder approval as appropriate.
- e) **APPROVAL** of the written division of responsibilities between the Chair, the Chief Executive and the Senior Independent Director, and **APPROVAL** of the terms of reference of Board committees.
- f) Reviewing the group's overall corporate governance arrangements, including the performance of the Board, its committees and individual Directors and determining the independence of Directors, in the context of its corporate governance obligations.
- g) Receiving reports from Board committees on their activities.

5. Stakeholder engagement

Ensuring effective engagement with shareholders and stakeholders and encouraging participation from these parties, in the context of its corporate governance obligations.

6. Other matters

- a) **APPROVAL** of all shareholder circulars, resolutions and corresponding documentation to be put forward to shareholders at a general meeting and any press releases concerning matters decided by the Board.

- b) Ensuring appropriate arrangements are in place for the workforce to raise concerns in confidence and, if they wish, anonymously; routinely reviewing these arrangements and reports arising therefrom; and ensuring that arrangements are in place for proportionate and independent investigation of such matters and for follow-up action.
- c) **APPROVAL** of this schedule of matters reserved for Board decisions.

The Articles of Association allow the Board to delegate some of its powers to a committee. Any such delegated powers are contained in the terms of reference for the Standing, Remuneration, Nomination & Governance, Reputation & Responsibility and Audit Committees, which are available on request