



# Pearson

## Pearson plc

### Reputation & Responsibility Committee - Charter and Terms of Reference

These terms of reference were reviewed in December 2016 and approved by the Pearson Board of Directors (“the Board”) on 23 February 2017.

#### 1. Purpose and Primary Duty

The Committee is established by the Board to have oversight of Pearson’s strategy and plans to build and protect its corporate reputation. It will provide advice and guidance to management on these plans.

#### 2. Membership

- 2.1. Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee in consultation with the Chairman of the Reputation and Responsibility Committee. The Committee shall comprise at least three members.
- 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 Chairman or Nomination Committee.
- 2.3. The Board shall appoint the Committee Chairman who shall be an independent non-executive director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members in attendance at the meeting shall elect one of their number present to chair the meeting.
- 2.4. Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three year periods.

#### 3. Secretary

The Company Secretary or his/her nominee shall act as the Secretary of the Committee.

#### 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 at least three times per year, to coincide with the existing Board meeting schedule and at such other times as the Committee may consider necessary.

#### 6. Agenda for Meetings

The Committee Chairman shall develop and set the Committee’s agenda, in consultation with the Chief Corporate Affairs Officer and the Secretary of the Committee.

## **7. Minutes of Meeting**

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. Remit**

The Committee will focus on the following areas (and may review any others that are relevant to Pearson's reputation including its obligations to society):

- 8.1. Pearson's reputation among its major stakeholders, including governments, investors, employees, customers, learners and the education community.
- 8.2. Pearson's communications strategies, policies and plans related to reputational issues and the people, processes and policies that are in place to manage them.
- 8.3. Pearson's position on, and plans to influence, anticipate and adapt to, external issues and developments.
- 8.4. Pearson's non-financial public commitments, and progress towards them.
- 8.5. Pearson approach to the identification and management of issues relevant to its reputation as a responsible corporate citizen. This includes, but is not limited to, oversight of:
  - 8.5.1. Pearson's interaction with policy and political audiences and community partnerships; and
  - 8.5.2. Pearson's social and environmental policies and practices in line with the Sustainability Plan and Code of Conduct.
- 8.6. Pearson's management of the Pearson brand to ensure that its value and reputation is maintained and enhanced.
- 8.7. Pearson's approach to the reputation aspects of the risk register and to ensure that clear roles have been assigned for the management of the reputation dimension of risks identified.
- 8.8. Pearson's approach to monitoring and supporting the values and desired behaviour that form our corporate culture.

## **9. Reporting Responsibilities**

The Committee Chairman will formally report to the Board after each meeting.

A report on the proceedings of the Committee shall be included with the Pearson Annual Report.

## **10. Other**

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.

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.

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 that is useful to the member in the fulfilment of their duties.