



Pearson

Role of Chief Executive

The Chief Executive is accountable and reports to the board and is responsible for running the group's business.

A. The Chief Executive is responsible for the following:

Within the authority limits delegated to him by the board:

1. Business Strategy and Management

- Devising and proposing to the board the company's strategy and the tactics for achieving it.
- Leading the management team of the business in the day to day running of the company.
- Developing group objectives and strategy having regard to the group's responsibilities to its shareholders, customers, employees and other stakeholders.
- The successful achievement of objectives and execution of strategy following presentation to, and approval by, the board.
- Recommending to the board an annual budget and three year strategic plan and working to ensure their achievement following board approval.
- Optimising the use and adequacy of the group's resources.

2. Investment and Financing

- Examining all investments and major capital expenditure proposed by the company and recommending to the board those which are within its authority.
- Identifying, recommending and executing acquisitions, joint ventures and disposals.
- Identifying and executing new business opportunities outside the current core activities.
- Leading geographic diversification initiatives.

3. Risk Management and Controls

- Managing the group's risk profile in line with the extent and categories of risk identified as acceptable by the board.
- Ensuring appropriate internal controls are in place.

4. Board Committees

- Making recommendations to the remuneration committee on remuneration policy, executive



Pearson

remuneration and terms of employment of the senior executive team.

- Making recommendations to the nomination & governance committee on the role and capabilities required in respect of the appointment of directors.

5. Communication

- Providing timely and accurate disclosure of information to the board, employees and important stakeholders.
- Ensuring effective communication with all stakeholders, as the main spokesperson for the company.

6. Culture and people

- Identifying, hiring, developing and retaining the best talent for achieving the company's goals including through fostering a culture of diversity and inclusion.
- Setting group HR policies, including management development and succession planning for the senior executive team and approving the appointment and termination of employment of members of that team.
- Overseeing the adoption of Pearson's culture in the day to day management of the Group.
- Displaying Pearson values and supporting behaviours, demonstrating a high standard of business conduct and ethics and sponsoring the implementation of Pearson's values and supporting behaviours throughout the Group.

B. The duties which derive from these responsibilities include:

- Ensuring effective implementation of company decisions, including board decisions.
- Regularly reviewing the operational performance and strategic direction of the group's business.
- Regularly reviewing the group's organisational structure and making changes as appropriate.
- Formalising the roles and responsibilities of the senior executive team, including clear delegation of authorities.
- Supervising the activities of senior executives.
- Developing senior management and ensuring succession planning.
- Developing the following policies for board approval and then implementing them:
 - Codes of ethics and business practice.
 - Share dealing code.
 - Investor communications policy (including procedures for the release of price sensitive information).
 - Investor relations policy.
 - Corporate social responsibility policy (including environmental, employee communications, employee disability and diversity).
 - Charitable giving policy.



Pearson

- Ensuring that all group policies and procedures are followed and conform to the appropriate standards.
- Together with the Chair, providing coherent leadership of the company, including representing the group to customers, suppliers, government, shareholders, financial institutions, employees, the media, the community and the public.
- Keeping the Chair informed on important matters.
- Leading the executive directors and the senior executive team in the day to day running of the group's business, including chairing the Executive Committee and communicating its decisions/recommendations to the board.