

Directors' Remuneration Policy

The Directors' Remuneration Policy (the 'Policy') is submitted for approval at the 2023 Annual General Meeting ('AGM') and, subject to shareholder approval, will take binding effect from the close of that meeting. The Remuneration Committee intends that the new Policy will operate for three years. In drafting the Policy, the Committee was advised that each element of pay should include a cap. The included numbers are set to comply with this requirement and do not form an aspiration. The Policy is being resubmitted to shareholders for approval given the change in listing to the Premium Segment of the Official List, however no substantive changes have been proposed.

The Policy was reviewed and approved by the Remuneration Committee. As part of the process, input was collected from management and our external advisors.

Objectives of the Policy

The proposed Directors' Remuneration Policy is intended to come into effect from the date of its approval at the 2023 AGM, and has been designed to meet the following objectives:

Clarity	Simplicity	Risk
<ul style="list-style-type: none"> The Policy is designed to be simple and to support long-term, sustainable performance. The Policy is in line with standard UK listed company practice and is well understood by participants and shareholders alike. The Policy clearly sets out the limits in terms of quantum, the performance measures which can be used and discretion which could be applied if appropriate. 	<ul style="list-style-type: none"> Our arrangements include a market standard annual bonus and a single long-term incentive plan. The details of each are clearly set out in our Policy. There are no complex or artificial structures required to deliver the Policy. 	<ul style="list-style-type: none"> Appropriate limits are set out in the Policy and within the respective plan rules. The Committee retains discretion to override formulaic out-turns. When considering performance measures and target ranges, the Committee will take account of the associated risks and liaise with the Audit and Risk Committee as necessary. The long-term nature of a large proportion of pay (through significant annual bonus deferral, post-vesting holding periods and post-cessation shareholding requirements) encourages a long-term, sustainable mindset. The use of restricted shares rather than more geared forms of long-term incentives also mitigates the risk of undue focus on those targets. Clawback and malus provisions are in place across all incentive plans.
Predictability	Proportionality	Alignment to Culture
<ul style="list-style-type: none"> The Policy contains appropriate caps in place for each component of pay. The potential reward outcomes are easily quantifiable and are set out in the illustrations provided in the Policy. Performance can be reviewed at regular intervals to ensure there are no surprises in outcomes at the end of the performance period. 	<ul style="list-style-type: none"> Incentive outcomes are contingent on successfully meeting stretching performance targets which are aligned to the delivery of the Company's strategy. Performance will be assessed on a broad basis, including a combination of financial and operational metrics. The use of different measures ensures there is no undue focus on a single metric which could be to the detriment of other stakeholders. The Committee retains discretion to override formulaic out-turns. 	<ul style="list-style-type: none"> The Policy encourages high performance delivery which is aligned to the culture within the business. However, this performance focus is always considered within an acceptable risk profile. Overall pay levels are modest with base salaries below-market reflecting the early emergence of profitability. The measures used in the variable incentive plans reflect the KPIs of the business.

Remuneration Policy for Executive Directors

The following table summarises each element of the Remuneration Policy for the Executive Directors, explaining how each element operates and links to the corporate strategy.

Base Salary
<p>Purpose</p> <ul style="list-style-type: none"> To recruit and retain high-calibre Executive Directors. Recognise knowledge, skills and experience as well as reflect the scope and size of the role.
<p>Operation</p> <ul style="list-style-type: none"> Normally reviewed annually (with any changes usually effective from January or August). An out of cycle review may be conducted if the Committee determines it is appropriate. When setting Base Salaries, the Committee takes into account a number of factors including (but not limited to) skills and experience of the individual, the size and scope of the role, salary increases across the Group as well as salary levels for comparable roles in other similarly sized companies. Currently, Base Salary levels are considerably below market levels reflecting the emerging profitability of the Company. The current Base Salaries for the Executive Directors are set out on page 141. The Executive Directors' Base Salaries increased to £177,000 in January 2023 (in line with the Company-wide award, which included the application of a £2,000 cost of living increase to every salary band, reflective of the increase in the London Living Wage) and will increase to £200,000 in August 2023. The Committee will review salaries against benchmarks from 2024, which may lead, at some stage, to a higher level of increase than would normally be the case.
<p>Maximum Potential Value</p> <ul style="list-style-type: none"> The maximum Base Salary level is £500,000. Base Salary increases are normally considered in relation to the wider salary increases across the Company, albeit recognising the unusually low starting position in the current Policy. Above workforce increases may be necessary in certain circumstances such as when there has been a change in role or responsibility or where an Executive Director has been appointed on an initial salary which is lower than the desired market positioning.
<p>Performance Metrics</p> <ul style="list-style-type: none"> Individual performance, as well as the performance of the Company, is taken into consideration as part of the annual review process.

Pension
<p>Purpose</p> <ul style="list-style-type: none"> To provide cost-effective retirement benefits.
<p>Operation</p> <ul style="list-style-type: none"> The Executive Directors may participate in the Company's pension scheme or receive a cash allowance in lieu if HMRC caps apply. Pension contributions and allowances are normally paid monthly and are not bonusable.
<p>Maximum Potential Value</p> <ul style="list-style-type: none"> The Company pension contributions to defined contribution retirement arrangements or cash allowances are capped at those of the wider workforce (currently 5% of qualifying salary). This applies to current and any future Executive Directors.
<p>Performance Metrics</p> <ul style="list-style-type: none"> Not applicable.
Benefits
<p>Purpose</p> <ul style="list-style-type: none"> To provide competitive, cost-effective benefits which help to recruit and retain Executive Directors.
<p>Operation</p> <ul style="list-style-type: none"> Benefits may include various insurances such as life, disability, medical and other benefits provided more widely across the Company from time to time. Other benefits, such as relocation expenses or expatriate arrangements may be provided as necessary. Reasonable business-related expenses (including any tax thereon) will be reimbursed.
<p>Maximum Potential Value</p> <ul style="list-style-type: none"> The value of benefits will vary based on the cost to the Company of providing the benefits.
<p>Performance Metrics</p> <ul style="list-style-type: none"> Not applicable.

Annual Bonus	
Purpose	<ul style="list-style-type: none"> To incentivise and reward for the delivery of suitably stretching annual corporate targets to align with shareholders' and wider stakeholders' interests.
Operation	<ul style="list-style-type: none"> The Annual Bonus is subject to performance measures and objectives set by the Committee for the financial year. At the end of the performance period, the Committee assesses the extent to which the performance targets have been achieved and approves the final outcome. At least 75% of any Annual Bonus earned will be deferred in shares under the 2021 PensionBee Group PLC Omnibus Plan ('Omnibus Pan') ('DSB Award'), normally for a total of three years, with a third vesting and becoming exercisable in each of the first, second and third years respectively. Dividend equivalents may apply to the extent that such deferred awards vest. Malus and clawback provisions apply as set out on page 136. Annual Bonus awards are non-pensionable and are payable at the Committee's discretion.
Maximum Potential Value	<ul style="list-style-type: none"> The Annual Bonus policy maximum is 100% of Base Salary. The target Annual Bonus opportunity is normally set at 50% of the maximum. The threshold Annual Bonus opportunity is up to 25% of the maximum.
Performance Metrics	<ul style="list-style-type: none"> The Committee will determine the relevant measures and targets each year taking into account the key strategic objectives at that time. Performance measures may include financial, strategic, operational, ESG, and/or personal objectives. At least 50% of the Annual Bonus will be linked to financial measures. The Committee sets targets that are challenging, yet realistic in the context of the business environment at the time and by reference to internal business plans and external consensus. Targets are set to ensure there is an appropriate level of ambition associated with achieving the top end of the range, but without encouraging inappropriate risk taking. The performance measures for FY22 are set out on page 140.

Long-Term Incentives	
Purpose	<ul style="list-style-type: none"> To incentivise and reward for the delivery of long-term performance and shareholder value creation. To align with shareholders' interests and to foster a long-term mindset.
Operation	<ul style="list-style-type: none"> An annual award of restricted shares under the Omnibus Plan ('RSP Award') which normally vest after a period of not less than three years (expected to be one-third on each of the third, fourth and fifth anniversaries of grant for Executive Directors), subject to continued employment and the achievement of a performance underpin. Vested RSP Awards are subject to a further holding period applying at least until the fifth anniversary of grant during which they may not ordinarily be sold (other than to pay relevant tax liabilities due). Dividend equivalents may accrue over the period from grant until the later of vesting and the expiry of any holding period. Malus and clawback provisions apply as set out on page 136.
Maximum Potential Value	<ul style="list-style-type: none"> The maximum annual RSP Award is 125% of Base Salary and the Committee expects to normally grant awards at this level to the Executive Directors.
Performance Metrics	<ul style="list-style-type: none"> The nature of restricted shares under the RSP Award is that they are not based primarily on performance conditions, although the Committee will apply an underpin and may reduce vesting levels if overall performance is not considered sufficient to warrant the full vesting level (having regard to financial performance, the development of the strategy and the management of risk and other ESG factors).

All-Employee Share Plans	
Purpose	<ul style="list-style-type: none"> To encourage wider share ownership across all employees, including the Executive Directors. To align with shareholders' interests and to foster a long-term mindset. The Company does not currently intend to deploy the all-employee share plans. Disclosure around the plans has been included for future flexibility as required.
Operation	<ul style="list-style-type: none"> Executive Directors may participate in all employee schemes on the same basis as other eligible employees. This includes the Share Incentive Plan ('SIP') and the Save As You Earn ('SAYE') which have been adopted but are not currently in operation. Both plans have standard terms, which are HMRC approved and allow participants to either purchase or be granted shares (SIP) or enter into a savings contract (SAYE) in a tax-efficient manner.
Maximum Potential Value	<ul style="list-style-type: none"> Limits are in line with those set by HMRC (or at a lower level if so determined by the Remuneration Committee).
Performance Metrics	<ul style="list-style-type: none"> Not applicable as per market standard.

Shareholding Requirement	
Purpose	<ul style="list-style-type: none"> To align with shareholders' interests and to foster a long-term mindset.
Operation	<ul style="list-style-type: none"> Executive Directors will normally be expected to retain shares, net of sales to settle tax, until they have met the required shareholding. Progress towards the guidelines will be reviewed by the Committee on an annual basis. In addition, Executive Directors are expected to hold shares after cessation of employment to the full value of the shareholding requirement (or the existing shareholding if lower at the time) for a period of two years.
Maximum Potential Value	<ul style="list-style-type: none"> The shareholding requirement for Executive Directors is 200% of Base Salary.
Performance Metrics	<ul style="list-style-type: none"> Not relevant.

Fees Policy for Chair and Non-Executive Directors

The following table summarises the fees policy for the Chair of the Board and the other Non-Executive Directors ('NEDs').

Fees	
Purpose	<ul style="list-style-type: none"> To provide a competitive fee to attract NEDs who have the requisite skills and experience to oversee the implementation of the Company's strategy.
Operation	<ul style="list-style-type: none"> Fees for the Chair of the Board are set by the Committee (with the Chair absent from such discussion). Fees for the other NEDs are set by the Board excluding the NEDs. Fees are reviewed, but not necessarily increased, annually. Fee increases are normally effective from January or August. Fee levels are determined based on an estimate of the expected time commitments of each role and by reference to comparable fee levels in other companies of a similar size and complexity. Additional fees are payable to the Senior Independent Director and Chairs of the Audit and Risk and Remuneration Committees to reflect their additional responsibilities. The Director responsible for Employee Engagement will also be eligible for an additional fee. Higher fees may be paid to a NED should they be required to assume executive duties on a temporary basis. The NEDs and the Chair are not eligible to receive benefits or incentive plans. Business expenses incurred in respect of their duties (including any tax thereon) are reimbursed.
Maximum Potential Value	<ul style="list-style-type: none"> Determined within the overall aggregate annual limit of £1m.
Performance Metrics	<ul style="list-style-type: none"> Not eligible to participate in any performance-related elements of remuneration.

Pension	
Purpose	<ul style="list-style-type: none"> To provide cost-effective retirement benefits.
Operation	<ul style="list-style-type: none"> The NEDs may participate in the Company's pension scheme given its central role in the activities of the Company. Pension contributions and allowances are normally paid monthly.
Maximum Potential Value	<ul style="list-style-type: none"> The Company pension contributions to defined contribution retirement arrangements or cash allowances are capped at that of the wider workforce (currently 5% of qualifying fees). This applies to current and any future NEDs.
Performance Metrics	<ul style="list-style-type: none"> Not applicable.

Discretions Retained by the Committee in Operating the Incentive Plans

The Committee administers the Omnibus Plan in line with its rules and in accordance with HMRC and Listing rules where relevant. To ensure the efficient operation of these plans, the Committee may apply certain discretions which include (but are not limited to) the following:

- The participants in the plan.
- The timing of grants and/or payments under the plan.
- The size of grants and/or payments (albeit within the limits set out in the policy table for Executive Directors).
- Any performance measures and targets for the incentive plans for each year.
- Any use of discretion to amend the outcome, as appropriate.
- Determining leaver status and the appropriate treatment under the incentive plan.
- Determining the treatment of awards in the event of a change of control.
- Determining any necessary technical adjustments in certain circumstances (e.g. corporate restructuring events, variation of capital and special dividends).

The Committee has the discretion to vary the performance conditions applying to outstanding awards in exceptional circumstances if an event occurs (e.g. a material acquisition or divestment) which causes the Committee to believe that the original condition is no longer appropriate. Any change in performance conditions will not be materially less challenging than the original condition would have been but for the event in question.

Legacy Arrangements

The Committee will honour any commitments entered into with current directors prior to the Company's stock market listing or to internally promoted future Executive Directors prior to their appointment to the Board. This includes any outstanding awards under historic share option plans. Details of the historic share option plans are available in the Company's Prospectus, produced in 2021, and made available on its website.

Recoupment (Malus and Clawback)

Malus and clawback may be applied at any time before a restricted share award vests (or would have vested but for the operation of any holding period) or for three years after vesting in the following circumstances:

- Material misstatement of the results of the Company.
- Errors or inaccuracies or misleading information leading to incorrect grant or vesting of the award.
- Gross misconduct.
- Material failure of risk management by the Company.
- Corporate failure (e.g. administration or liquidation).
- Any other circumstance which in the opinion of the Remuneration Committee could have a significantly adverse impact on the Company's reputation.

Malus permits the Company to reduce the amount of any unvested award, including awards in holding periods. Clawback permits the Company to reduce the amount of any vested award or any future salary or bonus and also require the employee to pay back amounts.

Selection of Performance Measures and Targets

The Remuneration Committee selects the performance measures applying to the Annual Bonus based on the strategic priorities of the Company at the time. The measures and their weightings may change from year to year to reflect the needs of the business.

Measures used may include financial (such as Revenue and Adjusted EBITDA Margin)¹²⁵, operational, strategic, ESG objectives, personal objectives or shareholder value creation outcomes. The use of such measures is intended to ensure performance is assessed on a rounded basis and is appropriately aligned to the Company's KPIs.

¹²⁵. See definitions on pages 54 and 56 of the Measuring our Performance section of the Strategic Report.

The targets for the Annual Bonus are set after considering the annual business plan, external analyst consensus, relevant economic indicators and any expected regulatory changes. The target range is set so that it is appropriately challenging, yet realistic and does not incentivise undue risk taking. The possible outcomes for the Annual Bonus for Executive Directors for FY23 are set out on page 140.

The RSP Award will be subject to a performance underpin. The Remuneration Committee will assess whether vesting is appropriate, taking into consideration the Company's share price, its financial performance over the vesting period and the participant's adherence to the Company's values, standards on risk and environmental, social and governance considerations. On the basis that the RSP Awards are intended to provide greater certainty of vesting in return for a lower Base Salary, the default will be for vesting to occur, unless the Remuneration Committee decides otherwise.

Statement of Consideration of Shareholder Views

The views of the major shareholders were considered when determining the Policy. The Committee will consider shareholder feedback received in relation to the AGM each year and guidance from shareholder representative bodies more generally.

If the Committee considered it appropriate to make material changes to the Policy, it would be subject to prior consultation with major shareholders as necessary.

Differences in Remuneration Policy for Executive Directors and Employees in General

All employees participate in the Annual Bonus scheme, which is operated on similar terms to those for the Executive Directors, albeit with performance measures which are appropriate to their area of responsibility. Bonus deferral in respect of the Company element is applied for all employees. RSP Awards are granted to approximately 30% of the workforce on similar terms to those applied to grants made to the Executive Directors. All employees are able to participate in PensionBee's equity ownership schemes, which further helps to drive engagement and an ownership mentality.

Statement of Consideration of Employment Conditions Elsewhere in the Company

The Committee is kept informed of pay and employment conditions throughout the Company. This will include information on base salary banding and increases, annual bonus outcomes and share usage across the workforce. The Company conducts an annual benchmarking exercise that informs the overall remuneration package at each level of employee seniority. The annual benchmarking exercise pays due regard to job roles and seniority. The remuneration package for each level of employee seniority is documented in the Company's Policy, which is transparently shared with all employees. The Policy documents the Company's desire to take an industry-leading approach to reducing and eliminating pay gaps, as well as excessive differences in remuneration between the highest and lowest paid employees.

Input from the Director responsible for Employee Engagement will also be considered as part of the Committee's deliberations. Findings from employee engagement surveys will also be provided to the Committee.

The Committee has not, to date, formally consulted with employees on matters of the Company's Policy. However, in November 2022, the Chair and members of the Remuneration Committee participated in a Town Hall session to understand employees' attitudes to remuneration and other aspects of the Company's employee value proposition.

Executive Directors' External Appointments

Executive Directors may accept an external appointment as a Non-Executive Director with the prior approval of the Board. Any fees payable for such an appointment can be retained by the Executive Director.

Recruitment of Executive Directors - Approach to Remuneration

The ongoing remuneration package for any new Executive Director will be set in accordance with the terms of the Policy in place at the time of appointment. The principles which will be applied are set out as follows.

Element of Pay	Recruitment Policy
Base Salary	<ul style="list-style-type: none"> Set on appointment at a level which takes into account the skills and experience of the individual and the nature of the role. The initial base salary may be set at a level below the desired market position to reflect experience. Thereafter, increases may be above those of the wider workforce to align the salary with the market level in accordance with the individual's development in the role, as and when permitted under the Policy.
Benefits	<ul style="list-style-type: none"> Will be in line with those offered to current Executive Directors. The Committee will have the discretion to pay certain relocation expenses as deemed necessary.
Pension	<ul style="list-style-type: none"> Will be in line with the pension provision offered to the wider workforce.
Annual Bonus	<ul style="list-style-type: none"> Will be operated in line with the terms of the Policy. Any bonus for the year of appointment will be pro-rated based on service rendered. It may be necessary to use alternative performance measures for the remainder of the initial performance period, depending on the timing and circumstances of the appointment.

Restricted Share Plan	<ul style="list-style-type: none"> An award may be made shortly after appointment, in line with the Policy table.
Buy-out Awards	<ul style="list-style-type: none"> Additional awards may be offered in the form of cash and/or share based elements to compensate an individual for remuneration forfeit on leaving their previous employment. To be clear, the value of any buy-out arrangements will be limited to an assessment of the value forfeit. The structure of awards will normally be delivered on a like-for-like basis where possible, replicating the form, time horizons and any performance requirements attached to the awards forfeited.
Legacy Arrangements	<ul style="list-style-type: none"> For an internal appointment, any existing pay or contractual arrangements agreed prior to the Executive Director being appointed to the Board may be allowed to continue on the original terms, adjusted as relevant to take into account the new appointment.

Recruitment of Directors - Approach to Remuneration of Non-Executive Directors

On appointment of a new Chair of the Board or Non-Executive Director, the fees will be set taking into account the experience and calibre of the individual and the prevailing rates of the other Non-Executive Directors at the time.

Service Contracts and Letters of Appointment

Each Executive Director's service agreement will be terminable by either the Company or the Executive Director on not less than 6 months' written notice. Each Executive Director will continue to be eligible to participate in the Company's discretionary year-end bonus plan and will be eligible to participate in such long-term incentive plans as the Company may establish in the future. Any incentives or remuneration payable to the Executive Directors will be subject to limitation or modification to the extent reasonably deemed necessary by the Remuneration Committee, including to remain consistent with the Company's shareholder-approved remuneration policy from time to time. Each Executive Director is entitled to 25 days' paid holiday per annum (excluding public holidays). Each Executive Director is entitled to contributions by the Company of 5% of qualifying salary to the Company pension scheme. The contracts are available for inspection (alongside NED letters of appointment) at the Company's registered office. The date of each service contract is noted in the table below:

	Date of Service Contract
Romi Savova	16 March 2021
Jonathan Lister Parsons	16 March 2021
Christoph J. Martin	30 June 2022

The service contract of any new appointment is expected to be consistent with that of current Executive Directors.

The Non-Executive Directors do not have service contracts with the Company but instead have letters of appointment. The date of appointment for each Non-Executive Director is shown in the table that follows:

	Date of Appointment
Mark Wood	2 February 2021
Mary Francis	2 February 2021
Michelle Cracknell	2 February 2021
Lara Oyesanya	21 April 2022

Each appointment is for a fixed three-year term, but each Non-Executive Director may be invited by the Company to serve for a further period. In any event, each appointment is subject to annual re-election by the Company at each annual general meeting, and each Non-Executive Director's appointment may be terminated at any time with three months' written notice.

Policy on Payment for Departure from Office

The Company will be entitled to terminate an Executive Director's service agreement with immediate effect by payment in lieu of notice equal to the basic annual salary the Executive Director would have been entitled to receive during the notice period, payable in equal monthly instalments which are reduced if the Executive Director secures alternative employment/engagement within that period (the Executive is contractually obliged to use their best endeavours to secure alternative employment/engagement).

The Committee will take into account the contractual entitlements, rules of the incentive plans, the specific circumstances for the departure and the interests of shareholders when determining the termination treatment:

Component of Pay	Voluntary Resignation or Termination for Cause	'Good Leaver' (e.g. Death, Ill Health, Disability)
Annual Bonus	Leaving employment part way through the bonus year will normally result in no bonus being paid	Leaving employment part way through the bonus year or after the year end but prior to the normal bonus payment date will result in cash and deferred bonus being paid on a time pro-rated basis for the portion of the year worked. Bonus outcomes will continue to be based on the performance achieved.
DSB Awards	Unvested DSB Awards will lapse	DSB Awards will normally continue to vest on their original vesting date unless the Committee determines they should vest earlier.
RSP Awards	Unvested RSP Awards will lapse	RSP Awards will normally be retained by the individual for the remainder of the vesting period and remain subject to the relevant performance underpin, with the award time pro-rated. The Committee will retain discretion to assess the performance underpin and allow awards to vest at an earlier date if considered appropriate (and to dis-apply time pro-rating if considered appropriate).

Any outstanding SIP and/or SAYE awards will be treated in line with HMRC regulations.

The Committee will have the authority to settle any legal claims in respect of employment matters against the Company, if considered to be in the best interests of shareholders. The Committee may also reimburse legal costs and provide a contribution towards outplacement support if felt appropriate.

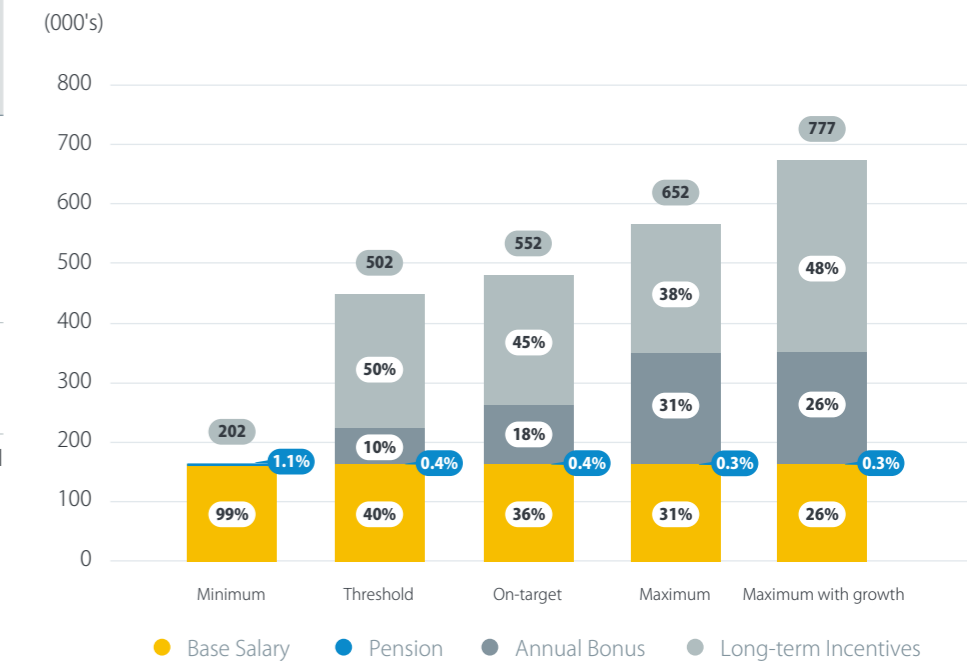
If there is a change of control or similar event, outstanding awards may vest early (subject to any performance criteria assessment) subject to time pro-rating (unless the Committee believes this is not appropriate).

On termination, at any time, a Non-Executive Director is entitled to any accrued but unpaid director's fees, but not to any other remuneration.

Illustration of the Remuneration Policy

The chart that follows sets out the potential values of the remuneration package for FY23 under various performance scenarios for the Executive Directors.

Executive Director's Remuneration



Notes:

- Salary represents the £200,000 expected ending salary for 2023. Benefits have been included based on 2022 figures.
- Pension represents the value of the annual pension allowance for Executive Directors of 5% of qualifying salary.
- Minimum performance comprises salary, benefits and pension only with no bonus awarded and no RSP Award vesting (i.e. assumes the RSP Award performance underpin is not met).
- Threshold performance comprises annual bonus payouts at threshold level (25% of maximum) with the RSP Awards vested in full (no share price appreciation).
- Target performance comprises annual bonus payouts at target level (50% of maximum) and with the RSP Awards vested in full (no share price appreciation).
- Maximum performance comprises annual bonus awarded at maximum level (100% of maximum) and with the RSP Awards vested in full (no share price appreciation).
- Maximum + share price growth comprises e) above plus an assumed increase of 50% in the value of the RSP Award to take account of potential share price appreciation.
- For ease of understanding, the chart assumes an RSP Award grant at 125% of the 2023 salary. In practice, grants are considered to relate to performance in the prior year so are based on the salary as at the previous 31 December.