

# PayPal UK Group Pension Plan: Governance Committee Terms of Reference

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This document represents PayPal UK's (the Company) policy with regard to governance of the UK Group Pension Plan ("the Plan") and sets out the Terms of Reference ("Terms of Reference") of the Plan's Governance Committee ("the Committee") created by the Company.

## 1. Company objectives

The Company's objectives in providing the Plan are to:

- a) Support Paypal's broader benefits philosophy, which specifically includes being:
  - Legally Compliant with local statutory requirements and regulations
  - Strategically aligned with Paypal UK's business priorities, culture and values
  - Holistically designed, taking the total-reward package into consideration
  - Market competitive with reference to Paypal's preferred comparator group
  - Egalitarian, ensuring internal equity and minimal differentiation by employee group
  - Simple & Cost Effective to administer and communicate
  - Shared in terms of ownership between the company and the employee
- b) Provide a contract-based pension scheme that is valued by employees
- c) Encourage member engagement
- d) Provide a meaningful level of retirement income for participants
- e) Provide Plan communications that are simple and straightforward for employees to understand

## 2. Purpose and Scope of the Committee

- a) The purpose of the Committee is to:
  - Assist the Company in achieving its objectives relating to the Plan
  - Enhance effective communication between plan participants and the Company
- b) The "principal duties" of the Committee in relation to the Plan include:
  - Monitoring the extent to which the Plan is fulfilling the Company's objectives
  - Facilitating Plan communications (including participant education)
  - Promoting participant engagement with the Plan
  - Reviewing the range of Investment opportunities offered by the Plan Provider
  - Reviewing the performance and suitability of the default investment strategy of the Plan

- Commenting on contributions and benefit adequacy
  - Monitoring Provider service delivery and on-going suitability
- c) For the avoidance of doubt, the following matters are expressly outside the remit of the Committee and outside their Terms of Reference:
- Decision making regarding the on-going provision of the Plan
  - “Financial promotion” of the Plan within the meaning of financial services legislation
  - Providing advice to members in relation to the Plan (except through the appointment of authorised financial advisers)
  - Acting as fiduciaries or constructive trustees in relation to the Plan
  - Adopting any new duty of care in relation to the Plan
  - Decisions relating to the restriction of available investment or fund options for Plan participants
  - Security and integrity of Plan participant data by the Plan provider
  - Any other obligation or responsibility not set out within the Terms of Reference

### 3. Membership of the Committee

- a) The initial members of the Committee will include:
- Priyanka Banerji-Bhatia
  - Jon Varco
  - Aaron Whyte
  - Cameron McLean
  - Rachel Lampkowski
- b) All Committee members must be free of any relationship which could interfere with the exercise of their independent judgement.
- c) The chairperson of the Committee is Rachel Lampkowski.
- d) All Committee Members will be appointed by the Company and will be required to stand down on leaving the Company.
- e) None of the members of the Committee are required to have a specified level of knowledge and understanding of pensions but they shall ensure, so far as possible, that they are conversant with the issues surrounding contract-based schemes.

#### 4. Authority and procedures of the Committee

1. The Committee is established under the authority of the Company for the purposes set out herein
  2. The Company may amend these Terms of Reference at any time
  3. The Committee will regularly undertake to review the Principal Duties. In relation to any matters specified, the Committee may make decisions by majority vote, with the Chairperson having the casting vote. Where appropriate the committee may make recommendations for the Chairperson to take to the Company, for the Company to consider.
  4. The Committee may seek authorisation/funding from the Company to seek appropriate professional advice if necessary
  5. A quorum of the Committee is any three Committee members, one of whom must be the Chairperson. The meeting must be quorate to proceed
  6. The Committee will meet once a year but may meet more frequently if it deems necessary and if instructed by the Company
  7. The Committee may request that the Chairperson invites other persons to attend meetings, where appropriate, to assist in the effective discharge of the Committee's duties
  8. Any action items will be recorded and will be circulated to the Committee, and any nominated recipients, as soon as is practicable after the meeting. The Chairperson may delegate this responsibility where appropriate. All members of the Committee and any other recipients shall keep these confidential and shall not disclose them to anyone else except with the permission of the Chairperson
  9. The Committee shall keep the principal duties under review and may, with the specific agreement of the Company, amend them from time to time where appropriate
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