



Pearson

# Notice of Annual General Meeting

to be held at 12 noon on Friday, 29 April 2016  
at IET London, 2 Savoy Place, London WC2R 0BL

**This document is important and requires your immediate attention.**

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek advice from a stockbroker, bank manager, solicitor, accountant, or other professional adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all of your ordinary shares in Pearson plc, please pass this document and the enclosed form of proxy at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

A form of proxy for the Annual General Meeting is enclosed and should be completed and returned as soon as possible. To be valid, it must reach the company's registrar, Equiniti, no later than 12 noon on Wednesday, 27 April 2016. Alternatively, you may register your vote online by visiting the registrar's website at [www.sharevote.co.uk](http://www.sharevote.co.uk) or, if you already have a portfolio registered with Equiniti, by logging onto [www.shareview.co.uk](http://www.shareview.co.uk)

In order to register your vote online you will need to enter the Voting ID, Task ID and Shareholder Reference Number which are given on the enclosed form of proxy. If you are a member of CREST, the electronic settlement system for UK securities, you may register the appointment of a proxy by using the CREST electronic proxy appointment service. Further details are contained in the notes to the notice of Annual General Meeting (see pages 13 to 15 of this document) and in the form of proxy. Electronic and CREST proxy voting instructions should also be submitted no later than 12 noon on Wednesday, 27 April 2016. Completion of a form of proxy or the appointment of a proxy electronically will not stop you from attending the meeting and voting in person should you so wish.

# To shareholders

## 23 March 2016

### Dear shareholder,

I am writing to give you details of the business which will be conducted at the Annual General Meeting (AGM or the meeting) of Pearson plc (Pearson or the company) to be held at IET London, 2 Savoy Place, London WC2R 0BL at 12 noon on Friday, 29 April 2016.

Voting on all of the proposed resolutions at the AGM will be conducted on a poll rather than on a show of hands. Voting on a poll is more transparent and equitable because it includes the votes of all shareholders, including those cast by proxies, rather than just the votes of those shareholders who attend the meeting.

Shareholders of the company (shareholders) will be asked to consider (and, if thought fit, approve) resolutions in respect of the matters described below.

### Notice of AGM

The notice convening the AGM is set out on pages 10 to 12 of this document (the notice).

### Recommendation

The board of directors believes that resolutions 1-18 will promote the success of, and are in the best interests of, the company and its members as a whole.

**Your board therefore unanimously recommends that you vote IN FAVOUR of resolutions 1-18 inclusive,** as the directors intend to do in respect of their own beneficial holdings.

We will also be considering a resolution submitted at the end of December 2015 by a group of shareholders supporting the American Federation of Teachers. The members' resolution was submitted and signed by at least 100 shareholders, with an average sum per member of at least £100 paid up. Their reasons for raising this matter are set out in a statement included in this document, which is followed by the board's response.

The board of directors believes that resolution 19 will not promote the success of, and is not in the best interests of, the company and its members as a whole.

**Your board therefore unanimously recommends that you vote AGAINST resolution 19, as the directors intend to do in respect of their own beneficial holdings.** You can find more details on pages 08 and 09 of this document.

### Report and accounts (resolution 1)

The first resolution at the AGM relates to the receipt and consideration of the company's accounts and the reports of the directors and the auditors for the financial year ended 31 December 2015.

### Final dividend (resolution 2)

Separately, shareholders will also be asked to approve the payment of a final dividend of 34 pence per ordinary share in respect of the year ended 31 December 2015, as recommended by the directors.

If the recommended final dividend is approved, it is proposed that the dividend will be paid on 6 May 2016 to shareholders on the company's register of members at the close of business on 8 April 2016 (the record date).

### Election and re-election of directors (resolutions 3 to 12)

In accordance with the UK Corporate Governance Code (the Code), all of the directors being eligible will offer themselves for re-election at the AGM. The election and re-election of directors will take effect at the conclusion of the meeting. As chairman, I believe that the contribution, commitment and performance of each of the directors continues to be valuable and effective and that it is appropriate for them to continue to serve as directors of the company. In accordance with the Code, the board has reviewed the independence of its non-executive directors and has determined that they remain fully independent of management and that there are no relationships or circumstances likely to affect their character or judgement.

Having been appointed as directors since the last AGM, Coram, Lincoln and I will retire at the forthcoming AGM and, in accordance with the articles and being eligible, will offer ourselves for election by shareholders.

Biographical details for each of the directors offering themselves for election or re-election are set out on the following pages:

**Sidney Taurel Chairman**  
aged 67, appointed 1 January 2016

**Chairman of the nomination committee and member of the remuneration committee**

Sidney has over 40 years of experience in business and finance, and is currently a board director and chairman of the Compensation Committee at IBM Corporation. He is also a director at McGraw Hill Financial, Inc., a role from which he will step down during 2016. Sidney is senior advisor at global investment bank Moelis & Co and an advisory board member at pharmaceutical firms Takeda Pharmaceutical and Almirall. He was chief executive officer of global pharmaceutical firm Eli Lilly and Company from 1998 until 2008, chairman of the business from 1999 until 2008, and has been chairman emeritus since 2009. Sidney has received three US presidential appointments: to the Homeland Security Advisory Council, the President's Export Council and the Advisory Committee for Trade Policy and Negotiations, and is an officer of the French Legion of Honour.

**Lincoln Wallen Non-executive director**  
aged 55, appointed 1 January 2016

**Member of the audit and nomination committees**

Lincoln is chief technology officer for DreamWorks Animation, the global family entertainment company, a position he has held since 2012, having joined the company as head of research and development in 2008. Prior to this, Lincoln served as chief technology officer for the mobile business of Electronic Arts, Inc., a leading interactive entertainment software company. He has held senior positions at Criterion Software, MathEngine plc and is a non-executive director of the Smith Institute for Industrial Mathematics & System Engineering. Lincoln is also an advisory board member of Hewlett Packard Enterprise and a member of the STEM Advisory Committee of the National Academy foundation. Lincoln was formerly a lecturer and reader in computation at the University of Oxford.

**Coram Williams Chief financial officer**  
aged 42, appointed 1 August 2015

Coram joined Pearson in 2003 and has held a number of senior positions including finance and operations director for Pearson's English Language Teaching business in Europe, Middle East & Africa, interim president of Pearson Education Italia and head of financial planning and analysis for Pearson. In 2008 Coram became CFO of The Penguin Group and was latterly appointed CFO of Penguin Random House in 2013. Coram was trained at Arthur Andersen, and subsequently worked in both the auditing and consulting practices of the firm.

**Elizabeth Corley, CBE Non-executive director**  
aged 59, appointed 1 May 2014

**Chairman of the remuneration committee and member of the nomination committee**

Elizabeth is non-executive vice chair of Allianz Global Investors, where she was chief executive officer from 2005 to 2016. She was previously at Merrill Lynch Investment Managers (formerly Mercury Asset Management) and Coopers & Lybrand. Elizabeth is acting-chair of the FICC Markets Standards Board, a member of the ESMA stakeholder group and an advisory council member of TheCityUK. She is a non-executive director of BAE Systems plc and the Financial Reporting Council. In addition, she is a member of FEAM's management committee, the CFA Future of Finance Council, the Supervisory Board of Euler SA, a council member of the City of London IRSG and a member of the Committee of 200. She is a fellow of the CFA and the Royal Society of Arts and is also a crime fiction author.

**Vivienne Cox, CBE Senior independent director  
aged 56, appointed 1 January 2012**

**Chairman of the reputation & responsibility  
committee and member of the audit, nomination  
and remuneration committees**

Vivienne has wide experience in energy, natural resources and business innovation. She worked for BP plc for 28 years, in Britain and Continental Europe, in posts including executive vice president and chief executive of BP's gas, power and renewables business and its alternative energy unit. She is non-executive director of Stena International and chairman of the supervisory board of Vallourec, which supplies tubular systems for the energy industry. She is also lead independent director at the UK Department for International Development. Vivienne was appointed Commander of the Order of the British Empire (CBE) in the 2016 New Year Honours for services to the UK Economy and Sustainability.

**John Fallon Chief executive  
aged 53, appointed 3 October 2012**

John became Pearson's chief executive on 1 January 2013. Since 2008 he had been responsible for the company's education businesses outside North America, and a member of the Pearson management committee. He joined Pearson in 1997 as director of communications and was appointed president of Pearson Inc., in 2000. In 2003, he was appointed CEO of Pearson's educational publishing businesses for Europe, Middle East & Africa. Prior to joining Pearson, John was director of corporate affairs at Powergen plc, and was also a member of the company's executive committee. Earlier in his career, John held senior public policy and communications roles in UK local government. He is an advisory board member of the Global Business Coalition for Education and a member of the Council of the University of Hull.

**Josh Lewis Non-executive director  
aged 53, appointed 1 March 2011**

**Member of the nomination, remuneration and  
reputation & responsibility committees**

Josh's experience spans finance, education and the development of digital enterprises. He is the founder of Salmon River Capital LLC, a New York-based private equity/venture capital firm focused on technology-enabled businesses in education, financial services and other sectors. Over a 25-year career in active, principal investing, he has been involved in a broad range of successful companies, including several pioneering enterprises in the education sector. In addition, he has long been active in the non-profit education sector, with associations including New Leaders, New Classrooms, and the Bill & Melinda Gates Foundation. He is also a non-executive director of several enterprises in the fin-tech/data, education, and other sectors.

**Linda Lorimer Non-executive director  
aged 63, appointed 1 July 2013**

**Member of the audit, nomination and  
reputation & responsibility committees**

Linda has a deep background in education strategy, administration and public affairs. She is senior counsellor to the president and provost of Yale University and until recently served as vice president for Global & Strategic Initiatives at Yale, where her duties included oversight of Yale's Office of International Affairs and Office of Digital Dissemination. Over a 30-year career in higher education, she has been responsible for many of Yale's administrative services including the university's public communications, alumni relations and Office of Sustainability. Previously, Linda served as president of Randolph-Macon Woman's College in Virginia and was chair of the board of the Association of American Colleges and Universities. She also served on the boards of several public companies, including as presiding director of the McGraw-Hill Companies.

**Harish Manwani Non-executive director  
aged 62, appointed 1 October 2013**

**Member of the nomination and  
reputation & responsibility committees**

Harish has an extensive background in emerging markets and senior experience in a successful global organisation. He was previously chief operating officer of consumer products company Unilever, having joined the company in 1976 as a marketing management trainee in India, and held senior management roles around the world, including North America, Latin America, Europe, Africa and Asia. He is non-executive chairman of Hindustan Unilever Limited in India, and serves on the boards of Whirlpool Corporation, Qualcomm Inc. and Nielsen Holdings. He is also on the board of the Indian School of Business and the Economic Development Board (EDB) of Singapore, and is global executive advisor at Blackstone Private Equity.

**Tim Score Non-executive director  
aged 55, appointed 1 January 2015**

**Chairman of the audit committee and member of  
the nomination and remuneration committees**

Tim has extensive experience of the technology sector in both developed and emerging markets, having served as chief financial officer of ARM Holdings plc, the world's leading semiconductor IP company, a position he held for 13 years. He is an experienced non-executive director and currently sits on the boards of The British Land Company plc and HM Treasury. He served on the board of National Express Group plc from 2005 to 2014, including time as interim chairman and six years as the senior independent director. Earlier in his career Tim held senior finance roles with Rebus Group, William Baird, BTR plc and others.

**Report on directors' remuneration (resolution 13)**

The report on directors' remuneration is set out in the annual report on pages 94 to 117. The company believes that the report on directors' remuneration clearly demonstrates the link between our remuneration policy and practice, and the company's strategy and performance, as well as our commitment to shareholder engagement.

The remuneration policy sets out the company's forward-looking policy on directors' remuneration and describes the components of the executive and non-executive directors' remuneration. The remuneration policy was approved by shareholders at the 2014 AGM and took effect from 25 April 2014 and is expected to continue to apply until the 2017 AGM. A summary of the remuneration policy is included in the report on directors' remuneration and a full copy of the remuneration policy is available on the governance page of the company's website at [www.pearson.com/governance](http://www.pearson.com/governance)

The directors are required to seek shareholder approval for the company's remuneration policy at least every three years, except in certain circumstances where an earlier vote would be required. The directors are not seeking approval for the company's remuneration policy this year.

The report on directors' remuneration includes a letter from the chairman of the remuneration committee and provides details of the remuneration paid to the directors during the year ended 31 December 2015, including share awards and any payments for loss of office. Shareholders are invited to approve the annual remuneration report under resolution 13. This vote is advisory in nature and does not affect the past or future remuneration paid to directors. This vote will be in respect of the content of the annual remuneration report and not specific to any director's level or terms of remuneration.

### Auditors (resolutions 14 and 15)

Resolutions will be proposed to reappoint PwC as auditors until the conclusion of the AGM in 2017 and to authorise the audit committee to determine the remuneration of the auditors.

### Directors' authority to allot shares (resolution 16)

Further to the provisions of section 551 of the Companies Act 2006 (the Act), shareholders will be asked to grant the board of directors the authority to allot shares, grant rights to subscribe for shares, or convert any security into shares in the company (the new authority). The new authority would be valid until the close of the AGM in 2017.

If passed, the new authority would be limited to up to 273,874,595 ordinary shares (representing approximately 33.3% of Pearson's issued ordinary share capital as at 11 March 2016) save that, if the new authority were used in connection with a rights issue, it would be limited to up to 547,749,189 ordinary shares (representing approximately 66.6% of Pearson's issued share capital as at 11 March 2016).

In each case the number of shares to which the new authority applies is in addition to those committed to the various share option and employee share plans. At the date this document was approved by the board, the directors had no intention to exercise this authority, although they considered its grant to be appropriate in order to preserve maximum flexibility for the future. The directors intend to seek the approval of shareholders to renew this authority annually.

As at the date of this document, the company does not hold any shares in the capital of the company in treasury.

### Waiver of pre-emption rights (resolution 17)

As in previous years, a resolution will also be proposed to waive (under the provisions of section 570 of the Act) the statutory pre-emption provisions applicable to the allotment of equity securities for cash contained in section 561 of the Act for a period ending at the close of the AGM in 2017.

Accordingly, resolution 17 proposes that authority is granted to the board to issue equity securities for cash consideration either (i) by way of a rights or other pre-emptive issue or (ii) by way of a non-pre-emptive issue, in the latter case limited to a total of 82,162,378 ordinary shares, representing approximately 10% of Pearson's issued ordinary share capital as at 11 March 2016. This resolution is conditional on resolution 16 being passed.

This disapplication authority is in line with institutional shareholder guidance and in particular with the Pre-emption Group's Statement of Principles (the 'Pre-emption Principles'). The Pre-emption Principles were revised in March 2015 to allow the authority for an issue of shares for cash otherwise than in connection with a pre-emptive offer to be increased from 5% to 10% of the company's issued ordinary share capital, provided that the company confirms that it intends to use the additional 5% authority only in connection with an acquisition or specified capital investment. The board therefore confirms, in accordance with the Pre-emption Principles, that to the extent that the authority in paragraph (B) of resolution 17 (that is the authority to allot equity securities with a nominal amount of up to £20,540,594) is used for an issue of ordinary shares with a nominal value in excess of £10,270,297 (that is 5% of the company's issued ordinary share capital as at 11 March 2016), it intends that it will only be used in connection with an acquisition or specified capital investment which is announced contemporaneously with the issue, or which has taken place in the preceding six-month period and is disclosed in the announcement of the issue.

At the date this document was approved by the board, the directors had no intention to exercise this authority, although they considered its grant to be appropriate in order to preserve maximum flexibility for the future.

The board confirms that it does not intend to issue shares for cash representing more than 7.5% of the company's issued share capital in any rolling three-year period to those who are not existing shareholders, save in connection with an acquisition or specified capital investment (as described above) without prior consultation with shareholders.

#### **Authority to purchase own shares (resolution 18)**

As in previous years, shareholders will be asked to authorise the market purchase by Pearson of a proportion of its issued ordinary share capital, subject to the limits referred to below.

The directors consider it prudent to be able to act at short notice if circumstances warrant. In considering the purchase of ordinary shares, the directors will follow the procedures laid down in the Act and will take into account cash resources, capital requirements and the effect of any purchase on gearing levels and on earnings per equity share. They will only consider exercising the authority when satisfied that it would be in the best interests of the company and its shareholders as a whole to do so, having first considered any other investment opportunities open to the company.

Any purchase by the company of its own shares pursuant to this authority will be paid for out of distributable profits. Any shares which are repurchased will be dealt with in accordance with section 724 of the Act. The company is entitled to hold the shares as treasury shares, sell them for cash, cancel them or transfer them pursuant to an employee share plan.

The authority, which will expire at the close of the AGM in 2017, will be limited to the purchase of 82,162,378 ordinary shares, representing approximately 10% of Pearson's issued ordinary share capital as at 11 March 2016. The maximum price (excluding expenses) to be paid per ordinary share on any occasion will be restricted to the higher of (i) 105% of the average of the middle market quotations of an ordinary share of the company derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the ordinary share is contracted to be purchased and (ii) an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current bid for an ordinary share as derived from the London Stock Exchange Trading System. The minimum price will be 25p per ordinary share.

Shareholders should understand that the maximum number of shares and the price range are stated merely for the purposes of compliance with statutory and Financial Conduct Authority (FCA) requirements in seeking this authority and should not be taken as any indication of the terms upon which the company intends to make such purchases. At the date this document was approved by the board, the directors had no intention to exercise this authority.

The company's issued share capital as at 11 March 2016 (the latest practicable date prior to the publication of this document) was 821,623,784 ordinary shares of 25p each. The total number of options to subscribe for ordinary shares which were outstanding as at 11 March 2016 was approximately 2.94 million, which represents approximately 0.36% of the issued share capital of the company at that date. If the maximum number of 82,162,378 shares were to be purchased by the company (under resolution 17), the adjusted issued share capital would be 739,461,406 and the options outstanding would represent approximately 0.40% of the adjusted issued share capital.

### Requisitionists' resolution (resolution 19)

#### The board recommends that you vote AGAINST resolution 19

A group of shareholders supporting the American Federation of Teachers has requisitioned the tabling of a resolution at this year's AGM. In accordance with the Act, we are required to share the resolution and a supporting statement with shareholders. As this resolution must be proposed as a special resolution in order to be properly moved, it will require at least 75% of the votes cast at the meeting to be in favour of it in order for it to be passed.

The text of the resolution is as follows:

*THAT the Board of Directors of Pearson PLC immediately conduct a thorough business strategy review of Pearson PLC including education commercialisation and its support of high stakes testing and low-fee private schools and to report to shareholders within six months.*

#### The recommendation of the Pearson board

The board has considered the resolution carefully.

Prior to its proposal, Pearson's management team were in the process of conducting a rigorous review of our business, the results of which were approved by the board and published on 21 January 2016.

These plans will simplify and integrate Pearson's business, and position the company for sustained growth. Delivering on these plans will benefit learners and Pearson's shareholders. The plans are summarised in the company's 2015 annual report and accounts, and will be discussed in detail at our AGM.

The board notes that, after a difficult 2015, our shareholders have thus far reacted positively to the plans, as evidenced by the Pearson share price significantly outperforming the FTSE100 Index between 21 January 2016 and the publication of this document.

The annual report and accounts also summarises the company's strategy. Pearson is the world's learning company, with world class capabilities in educational courseware and assessment, based on a strong portfolio of products and services, powered by learning technology. Our strategy of combining these core capabilities with related services that enable our partners to scale online, reaching more people and ensuring better learning outcomes, will provide

#### Requisitionists' statement:

"We believe that Pearson PLC ("Pearson" or the "Company") is suffering a crisis of confidence precipitated by a confused business strategy. The evidence is presented by our reaction to the share price, which at the last Annual General Membership Meeting (AGM) held on 24 April 2015, was trading at approximately \$20.68. On 15 December 2015, Pearson stock sold for roughly \$10.70.

This represents a drop in price of over 40% in only seven months. This significant drop in share price calls into question the board's efforts to address the lack of confidence in the Company.

"We believe that the current strategic business plan has failed to produce the profits or the potential for profits that investors need. Therefore, it is time that Pearson conducts a business strategy review.

"We urge you to vote FOR this resolution."

Pearson with a larger market opportunity, a sharper focus on the fastest-growing education markets and stronger financial returns.

The resolution raises two other important issues which the board wishes to address directly:

The principle of carrying out assessments to measure student progress is an important part of educational effectiveness in all countries, agreed upon by leading education experts of all backgrounds. Assessments and qualifications enable students, including those from less advantaged backgrounds, to progress to higher education and to successful careers. While US school testing represents less than 10% of Pearson's annual revenues, we are a world leader in assessment, and have a record of successful delivery in the US and other markets. Find more details on our US assessment strategy at [www.pearson.com/aggm/assessment](http://www.pearson.com/aggm/assessment)

Second, low-fee private schools. Tens of thousands of low cost private schools have been founded over the past fifty years across the developing world, to help meet the needs of students who often have either no school to attend, or one with very poor outcomes. Pearson has made minority investments in four school groups with the potential to deliver better educational outcomes for students in Ghana, South Africa, Kenya



and the Philippines. These investments will help to improve education in countries where provision is poor or lacking, and will improve Pearson's access to low-cost innovative educational solutions. We have published more details on our investments in affordable learning at [www.pearson.com/aggm/PALF](http://www.pearson.com/aggm/PALF)

Assessments and our investments in affordable learning both play important roles in Pearson's strategy, and contribute to overall shareholder value.

We are always keen to engage with shareholders to discuss aspects of our strategy and operations, and have sought to meet with the American Federation of Teachers and their associates to understand their concerns.

We have considered all aspects of this resolution carefully – in particular with consideration for the best interests of creating long-term value for Pearson's shareholders.

**The board of directors believes that resolution 19 will not promote the success of, and is not in the best interests of, the company and its members as a whole.**

**Your board therefore unanimously recommends that you vote AGAINST resolution 19, as the directors intend to do in respect of their own beneficial holdings.**

## Annual General Meeting

The resolutions referred to in this letter are included in the notice of AGM set out on pages 10 to 12 of this document. The AGM is to be held at IET London, 2 Savoy Place, London WC2R 0BL at 12 noon on Friday, 29 April 2016. If you are unable to attend the meeting, please complete and return the enclosed form of proxy in the prepaid envelope provided so as to reach the company's registrar, Equiniti, not less than 48 hours before the time of the meeting. Alternatively, you may register your vote online by visiting the registrar's website at [www.sharevote.co.uk](http://www.sharevote.co.uk) or, if you already have a portfolio registered with them, by logging onto [www.shareview.co.uk](http://www.shareview.co.uk). In order to register your vote online you will need to enter the Voting ID, Task ID and Shareholder Reference Number which are given on the enclosed form of proxy. If you are a member of CREST, you may register the appointment of a proxy by using the CREST electronic proxy appointment service. Further details are contained in the notes to the notice of AGM and in the form of proxy. Completion of a form of proxy or the appointment of a proxy electronically, will not stop you from attending the AGM and voting in person should you so wish. If you are unable to attend the AGM but would like to ask a question, please e-mail: [chairman-aggm@pearson.com](mailto:chairman-aggm@pearson.com)

Yours sincerely



Sidney Taurel  
Chairman

## Directors

### Chairman

S Taurel

### Executive directors

JJ Fallon (chief executive)

C Williams (chief financial officer)

### Non-executive directors

E P L Corley

V Cox

S J Lewis

L K Lorimer

H Manwani

T Score

L Wallen

### Registered office:

Pearson plc

80 Strand

London WC2R 0RL

UK

Registered in England

Registered number 53723

# Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting (AGM or the meeting) of Pearson plc (Pearson or the company) will be held at IET London, 2 Savoy Place, London WC2R 0BL at 12 noon on Friday, 29 April 2016 to consider the following resolutions (of which 1-16 are ordinary resolutions and 17-19 are special resolutions):

**Your board recommends that you vote IN FAVOUR of resolutions 1 to 18 inclusive, and AGAINST resolution 19.**

1. To receive and consider the accounts of the company and the reports of the directors of the company (directors) and the auditors of the company (auditors) for the year ended 31 December 2015;
2. To declare a final dividend on the ordinary shares, as recommended by the directors;
3. To elect Sidney Tarell as a director;
4. To elect Lincoln Wallen as a director;
5. To elect Coram Williams as a director;
6. To re-elect Elizabeth Corley as a director;
7. To re-elect Vivienne Cox as a director;
8. To re-elect John Fallon as a director;
9. To re-elect Josh Lewis as a director;
10. To re-elect Linda Lorimer as a director;
11. To re-elect Harish Manwani as a director;
12. To re-elect Tim Score as a director;
13. To approve the annual remuneration report for the year ended 31 December 2015;
14. To reappoint PricewaterhouseCoopers LLP as auditors for the ensuing year;
15. To authorise the audit committee to determine the remuneration of the auditors; and
16. To consider and, if thought fit, to pass the following resolution which will be proposed as an ordinary resolution:

THAT, pursuant to section 551 of the Companies Act 2006 (the Act), the board be authorised to allot shares in the company and to grant rights to subscribe for or to convert any security into shares in the company:

(A) up to an aggregate nominal amount of £68,468,648; and

(B) comprising equity securities, as defined in the Act, up to a further aggregate nominal amount of £68,468,648 provided that :

(i) they are equity securities within the meaning of section 560(1) of the Act; and

(ii) they are offered by way of a rights issue to holders of ordinary shares on the register of members at such record date as the directors may determine where the equity securities respectively attributable to the interests of the ordinary shareholders are proportionate (as nearly as may be practicable) to the respective numbers of ordinary shares held by them on any such record date and to other holders of equity securities entitled to participate therein subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal or practical problems arising under the laws of any overseas territory or the requirements of any regulatory body or stock exchange or by virtue of shares being represented by depositary receipts or any other matter,

such authorities to expire (unless previously reviewed, varied or revoked by the company in general meeting) at the close of the AGM in 2017 provided that, in each case, the company may make offers and enter into agreements during the relevant period which would, or might, require shares in the company to be allotted or rights to subscribe for, or convert any security into, shares to be granted, after the authority expires and the board may allot shares in the company and grant rights under any such offer or agreement as if the authority had not expired.

17. To consider and, if thought fit, to pass the following resolution which will be proposed as a special resolution:

THAT, subject to resolution 16 being passed, the board be given authority to allot equity securities for cash under the authority given by that resolution, free of the restriction in section 561(1) of the Act, such authority to be limited:

(A) to the allotment of equity securities in connection with an offer of equity securities (but in the case of the authority granted under resolution 16(B), by way of a rights issue only):

(i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings on the register of members at such record date as the directors may determine; and

(ii) to people who are holders of other equity securities, if this is required by the rights of those securities or, if the board considers it necessary, as permitted by the rights of those securities;

and so that the board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and

(B) in the case of the authority granted under resolution 16(A), to the allotment (otherwise than under 17(A) above) of equity securities with an aggregate nominal value of up to £20,540,594, (being approximately 10% of the issued ordinary share capital as at 11 March 2016),

such authority to expire (unless previously reviewed, varied or revoked by the company in general meeting) at the close of the AGM in 2017 provided that during the relevant period the company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted after the authority expires and the board may allot equity securities under any such offer or agreement as if the authority had not expired.

18. To consider and, if thought fit, to pass the following resolution which will be proposed as a special resolution:

THAT, the company is hereby generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of 25p each in the capital of the company provided that: (i) the maximum number of ordinary shares hereby authorised to be purchased is 82,162,378; (ii) the minimum price (exclusive of expenses) which may be paid for an ordinary share is 25p per share; (iii) the maximum price (exclusive of expenses) which may be paid for an ordinary share is, in respect of an ordinary share contracted to be purchased on any day, the higher of (a) an amount equal to 105% of the average of the middle market quotations of an ordinary share of the company derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the ordinary share is contracted to be purchased and (b) an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the London Stock Exchange Trading System; (iv) the authority hereby conferred shall expire at the close of the AGM in 2017 (unless previously reviewed, varied or revoked by the company in general meeting); and (v) during the relevant period the company may make a contract to purchase ordinary shares under this authority prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of ordinary shares in pursuance of any such contract as if the authority had not expired.

## Notice of Annual General Meeting continued

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### Requisitionists' resolution

A group of shareholders, representing, affiliated with, or supporting the American Federation of Teachers, has requisitioned the putting forward of a resolution to this year's AGM and the circulation of a supporting statement, in accordance with sections 314 and 338 of the Act. As this resolution must be proposed as a special resolution in order to be properly moved, it will require at least 75% of the votes cast at the meeting to be in favour of it in order for it to be passed. The supporting statement, supplied by the requisitionists, together with the board's reasons for recommending that shareholders vote AGAINST it are set out on pages 08 and 09.

### Your board recommends that you vote AGAINST resolution 19.

19. To consider the following resolution which will be proposed as a special resolution:

THAT the board of directors of Pearson PLC immediately conduct a thorough business strategy review of Pearson PLC including education commercialisation and its support of high stakes testing and low-fee private schools and to report to shareholders within six months.

By order of the board



Stephen Jones  
Company secretary

23 March 2016

# Notes

1. Ordinary shareholders and/or nominee shareholders only are entitled to attend, speak and vote at the AGM. Any such shareholder or nominee shareholder may appoint one or more persons (whether shareholders of the company or not) to act as his/her proxy or proxies to attend, speak and vote instead of him/her. A shareholder can appoint more than one proxy in relation to the AGM, provided that each proxy is appointed to exercise the rights attaching to different shares held by him. The form of proxy for use at the meeting must be deposited, together with any power of attorney or authority under which it is signed or a certified copy of the authority, at Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, not less than 48 hours before the time appointed for the AGM or any adjournment thereof. An appropriate form of proxy is enclosed. Details of how to appoint a proxy are also set out in the form of proxy. Alternatively, you may register your vote online by visiting [www.sharevote.co.uk](http://www.sharevote.co.uk) or, if you already have a portfolio registered with Equiniti, by logging onto [www.shareview.co.uk](http://www.shareview.co.uk). In order to register your vote online you will need to enter the Voting ID, Task ID and Shareholder Reference Number which are given on the enclosed form of proxy. Shareholders holding shares through Sharestore must submit votes by 12 noon on Tuesday, 26 April 2016.
2. CREST members who wish to appoint a proxy or proxies, or amend an instruction to a previously appointed proxy, through the CREST electronic proxy appointment service may do so for the AGM to be held at 12 noon on Friday, 29 April 2016 and any adjournment(s) thereof, by using the procedures described in the CREST manual (available via [www.euroclear.com](http://www.euroclear.com)). CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited (Euroclear)'s specifications and must contain the information required for such instructions, as described in the CREST manual. The message, regardless of whether it relates to the appointment of a proxy or to an instruction to a previously appointed proxy, must be transmitted so as to be received by the issuer's agent (ID: RA19) by no later than 12 noon on Wednesday, 27 April 2016. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) is/are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

The company may treat as invalid a CREST proxy instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

## Notes continued

3. Completion of a form of proxy, or the appointment of a proxy electronically, will not stop you from attending the meeting and voting in person should you so wish.
4. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder, provided that if two or more representatives purport to vote in respect of the same shares (i) if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way; and (ii) in other cases the power is treated as not exercised.
5. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 (the Act) to enjoy information rights (a nominated person) may have a right, under an agreement between him/her and the shareholder by whom he/she was nominated, to be appointed (or to have someone else appointed) as a proxy for the AGM. If a nominated person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.  
  
The statement of the rights of shareholders in relation to the appointment of proxies in note 1 above does not apply to nominated persons. The rights in relation to the appointment of proxies described in that note can only be exercised by shareholders of the company.
6. As at 11 March 2016 (being the latest practicable date prior to the publication of this notice) the company's issued share capital consisted of 821,623,784 ordinary shares, carrying one vote each. Therefore, the total number of voting rights in the company as at 11 March 2016 was 821,623,784. As at 11 March 2016, the company did not hold any shares in treasury.
7. The contents of this notice of meeting, details of the total number of shares in respect of which shareholders are entitled to exercise voting rights at the meeting, details of the totals of the voting rights that shareholders are entitled to exercise at the meeting and, if applicable, any shareholders' statements, shareholders' resolutions or shareholders' matters of business received by the company after the date of this notice will be available on the company's website [www.pearson.com](http://www.pearson.com)
8. The company, pursuant to Regulation 41(1) of the Uncertificated Securities Regulations 2001, specifies that only those shareholders registered in the register of members of the company at 6 pm on Wednesday, 27 April 2016 (the voting record date) (or, if the meeting is adjourned, at 6 pm on the date which is two days prior to the adjourned meeting) shall be entitled to attend and vote at the AGM in respect of the number of shares registered in their name at that time. Changes to the register of members of the company after 6 pm on Wednesday, 27 April 2016 shall be disregarded in determining the rights of any person to attend, speak or vote at the meeting.
9. Under section 527 of the Act, shareholders satisfying the threshold requirements set out in that section have the right to require the company to publish on a website a statement setting out any matter relating to: (i) the audit of the company's accounts (including the auditors' report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstances connected with the auditors of the company ceasing to hold office since the previous meeting at which the annual accounts and reports were laid in accordance with section 437 of the Act. The company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the company's auditors not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the company has been required to publish on a website under section 527 of the Act.

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10. Any shareholder, proxy or corporate representative attending the meeting on behalf of a shareholder, has the right to ask questions. The company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the company or the good order of the meeting that the question be answered.
  11. A copy of this notice and certain other information (as required by section 311A of the Act) can be found at [www.pearson.com/agm](http://www.pearson.com/agm)

Copies of the directors' service contracts with, or letters of appointment by, the company are available for inspection during normal business hours on any business day at the company's registered office and will also be available during the AGM and for 15 minutes beforehand.
  12. You may not use any electronic address provided either in this notice or any related documents (including the form of proxy) to communicate with the company for any purposes other than those expressly stated.
  13. The results of the voting at the AGM will be announced through a Regulatory Information Service and will be posted on the company's website [www.pearson.com/news/announcements.html](http://www.pearson.com/news/announcements.html) as soon as possible following the AGM.



# Pearson

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[www.pearson.com](http://www.pearson.com)

[blog.pearson.com](http://blog.pearson.com)

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### **Pearson plc**

Registered number 53723 (England)