



Pearson

# Notice of Annual General Meeting

to be held at 12 noon on Friday, 5 May 2017  
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, 3 May 2017. 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 10 to 11 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, 3 May 2017. 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

29 March 2017

## 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, 5 May 2017.

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 following matters:

### Ordinary business

The company's accounts and the reports of the directors of the company (directors) and the auditors of the company (auditors) for the year ended 31 December 2016;

The final dividend for the year ended 31 December 2016;

Re-election of directors;

Approval of the directors' remuneration policy;

Approval of the annual remuneration report for the year ended 31 December 2016;

Reappointment of PricewaterhouseCoopers LLP (PwC) as auditors for the ensuing year;

Authority to determine the remuneration of the auditors; and

Authority to allot shares.

### Special business

Waiver of pre-emption rights in certain circumstances;

Authority for the company to purchase its own shares; and

Approval of a 14-day notice period for general meetings in accordance with the Companies (Shareholders' Rights) Regulations 2009 (the Shareholder Rights Regulations) and the company's Articles of Association (articles).

A brief description of these matters is set out below.

## Notice of AGM

The notice convening the AGM is set out on pages 8 to 9 of this document (the notice).

## Recommendation

The board of directors believes that resolutions 1-21 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 1-21 inclusive, as the directors intend to do in respect of their own beneficial holdings.

## 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 2016.

## 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 2016, as recommended by the directors.

If the recommended final dividend is approved, it is proposed that the dividend will be paid on 12 May 2017 to shareholders on the company's register of members at the close of business on 7 April 2017 (the record date).

## 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 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.

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

**Elizabeth Corley, CBE Non-executive director**  
aged 60, appointed 1 May 2014

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

Elizabeth is non-executive vice chair of Allianz Global Investors, where she was chief executive officer, initially for Europe then globally, from 2005 to 2016. She was previously at Merrill Lynch Investment Managers and Coopers & Lybrand. Elizabeth is a director of the FICC Markets Standards Board, a member of the ESMA stakeholder group and the advisory council 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 Institute Board of Governors, the Committee of 200 and a trustee of the British Museum. She is a fellow of the CFA UK Society and the Royal Society of Arts and is also a crime fiction author.

**Vivienne Cox, CBE Senior independent director**  
aged 57, appointed 1 January 2012

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

Vivienne has wide experience in energy, natural resources and business innovation. She worked for BP plc for 28 years in global roles 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, a leader in the seamless steel pipe markets. She is also non-executive director at pharmaceutical company GlaxoSmithKline plc. She is lead independent director at the UK Department for International Development.

**John Fallon Chief executive**  
aged 54, 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 54, appointed 1 March 2011

**Member of the remuneration and nomination & governance 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 64, appointed 1 July 2013

**Chairman of the reputation & responsibility committee and member of the audit committee**

Linda spent almost 40 years serving higher education. She retired from Yale in spring 2016 after 34 years at the university where she served in an array of senior positions including vice president for Global & Strategic Initiatives. She oversaw the development of Yale's burgeoning online education division and the expansion of Yale international programmes and centres. During her tenure, she was responsible for many administrative services, ranging from Yale's public communications and alumni relations to sustainability, human resources, and the university press. Previously, Linda was president of Randolph-Macon Woman's College and 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. She is a member of the Trilateral Commission and the Council on Foreign Relations.

**Harish Manwani Non-executive director**  
aged 63, appointed 1 October 2013

**Member of the nomination & governance 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 56, appointed 1 January 2015**

**Chairman of the audit committee and member of the  
nomination & governance 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.

**Sidney Taurel Chairman  
aged 68, appointed 1 January 2016**

**Member of the nomination & governance and  
remuneration committees**

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. Sidney is 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. He was also a director at McGraw Hill Financial, Inc., a role which he held from 1996 until April 2016. 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 56, appointed 1 January 2016**

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

Lincoln is CEO of DWA Nova, a software-as-a-service company born out of DreamWorks Animation Studios in Los Angeles. He has worked at DreamWorks Animation for nine years in a variety of roles including chief technology officer and head of animation technology. He was formerly CTO at Electronic Arts Mobile where he was instrumental in shaping EA's approach to the mobile business. Lincoln's early career involved 20 years of professional IT and mathematics research, including a reader in Computer Science at Oxford. Lincoln graduated from Durham University in 1981 with a BSc in Mathematics and Physics, before completing his PhD in Artificial Intelligence at the University of Edinburgh. Lincoln is a non-executive director of the Smith Institute, an advisory board member of Hewlett Packard Enterprise and a member of the STEM Advisory Committee of the National Academy foundation.

**Coram Williams Chief financial officer  
aged 43, 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 trained at Arthur Andersen, and subsequently worked in both the auditing and consulting practices of the firm. He is a non-executive director of the Guardian Media Group.

**Directors' remuneration policy (resolution 13)**

The company considers that a successful remuneration policy should reward both short- and long-term results and should be linked with the company's strategy and performance. Shareholders are invited to approve the new policy under resolution 13.

The policy sets out the company's forward-looking policy on directors' remuneration and is subject to a binding shareholder vote. The policy describes the components of the executive and non-executive directors' remuneration. A copy of the policy is available on pages 97 to 105 of the company's annual report and accounts and on the website at [www.pearson.com](http://www.pearson.com).

If resolution 13 is passed, the policy will apply from the 2017 financial year and the company may not make a remuneration payment or payment for loss of office to a person who is, is to be, or has been a director of the company unless that payment is consistent with the policy, or such payment has otherwise been approved by a shareholder resolution.

The directors are required to seek shareholder approval for the company's remuneration policy at least every three years, except in the event that a change to the policy is proposed or the advisory vote on the directors' annual remuneration report is not passed in any year subsequent to the approval of the policy, in which case an earlier vote would be required.

### Report on directors' remuneration (resolution 14)

The report on directors' remuneration is set out in the annual report on pages 88 to 96 and page 106. 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 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 2016, including share awards and any payments for loss of office. It also gives details of the way in which the company will implement the proposed new remuneration policy in its first year.

Shareholders are invited to approve the annual remuneration report (excluding the remuneration policy) under resolution 14. This vote is advisory in nature and has no direct impact on past or future remuneration.

### Auditors (resolutions 15 and 16)

Resolutions will be proposed to reappoint PwC as auditors until the conclusion of the AGM in 2018 and to authorise the audit committee to determine the remuneration of the auditors.

### Directors' authority to allot shares (resolution 17)

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 2018.

If passed, the new authority would be limited to up to 274,195,619 ordinary shares (representing approximately 33.3% of Pearson's issued ordinary share capital as at 15 March 2017, the latest practicable date prior to the publication of this document) save that, if the new authority were used in connection with a rights issue, it would be limited to up to 548,391,238 ordinary shares (representing approximately 66.6% of Pearson's issued share capital as at 15 March 2017).

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 18 and 19)

As in previous years, authority will be sought 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 2018.

Resolution 18 contains a two-part waiver. The first is limited to the allotment of shares for cash up to an aggregate nominal value of £10,282,335, which represents approximately 5% of the issued ordinary share capital as at 15 March 2017. The second is limited to the allotment of shares for cash in connection with a rights issue to allow the directors to make appropriate exclusions and other arrangements to resolve legal or practical problems which, for example might arise in relation to overseas shareholders.

The waiver granted by resolution 19 is in addition to the waiver granted by resolution 18. It is limited to the allotment of shares for cash up to an aggregate nominal value of £10,282,335, which represents a further 5% (approximately) of the issued ordinary share capital as at 15 March 2017. This further waiver may only be used for an allotment of shares for cash for the purposes of financing (or refinancing, if the waiver is used within six months of the original transaction) a transaction which the directors determine to be an acquisition or other capital investment of a kind contemplated by the Pre-emption Group's March 2015 Statement of Principles.

Resolutions 18 and 19 are conditional on resolution 17 being passed.

As at the date this document was approved by the board, the directors had no intention to exercise the authorities under resolutions 18 and 19, although they considered their 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.

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### Authority to purchase own shares (resolution 20)

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 2018, will be limited to the purchase of 82,258,685 ordinary shares, representing approximately 10% of Pearson's issued ordinary share capital as at 15 March 2017. 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 independent 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 15 March 2017 was 822,586,857 ordinary shares of 25p each. The total number of options to subscribe for ordinary shares which were outstanding as at 15 March 2017 was approximately 1.68 million, which represents approximately 0.20% of the issued share capital of the company at that date. If the maximum number of 82,258,685 shares were to be purchased by the company (under resolution 19), the adjusted issued share capital would be 740,328,172 and the options outstanding would represent approximately 0.23% of the adjusted issued share capital.

### Notice of Meetings (resolution 21)

Although the articles already grant the company the authority to call general meetings (other than annual general meetings) on 14 days' notice, under the Shareholder Rights Regulations this authority is required to be approved by shareholders annually, otherwise a minimum of 21 days' notice must be given.

The directors believe it is in the best interests of the company and its shareholders as a whole to preserve the shorter notice period. However, the flexibility offered by this resolution will not be used as a matter of routine for general meetings, but only where, taking into account all the circumstances, the directors consider this appropriate in relation to the business to be considered at the meeting.

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## Annual General Meeting

The resolutions referred to in this letter are included in the notice of AGM set out on pages 8 to 9 of this document. The AGM is to be held at IET London, 2 Savoy Place, London WC2R 0BL at 12 noon on Friday, 5 May 2017. 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-agm@pearson.com](mailto:chairman-agm@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, 5 May 2017 to consider the following resolutions (of which 1-17 are ordinary resolutions and 18-21 are special resolutions):

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 2016;
2. To declare a final dividend for the year ended 31 December 2016 on the company's ordinary shares of 34 pence per share, as recommended by the directors;
3. To re-elect Elizabeth Corley as a director;
4. To re-elect Vivienne Cox as a director;
5. To re-elect John Fallon as a director;
6. To re-elect Josh Lewis as a director;
7. To re-elect Linda Lorimer as a director;
8. To re-elect Harish Manwani as a director;
9. To re-elect Tim Score as a director;
10. To re-elect Sidney Taurel as a director;
11. To re-elect Lincoln Wallen as a director;
12. To re-elect Coram Williams as a director;
13. To approve the directors' remuneration policy;
14. To approve the annual remuneration report for the year ended 31 December 2016;
15. To reappoint PricewaterhouseCoopers LLP as auditors for the ensuing year;
16. To authorise the audit committee to determine the remuneration of the auditors; and
17. 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 £68,548,904; and

(B) comprising equity securities, as defined in the Act, up to a further aggregate nominal amount of £68,548,904 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 renewed, varied or revoked by the company in general meeting) at the close of the AGM in 2018 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.

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

THAT, subject to resolution 17 being passed, the board be given authority to allot equity securities (as defined in the Companies Act 2006 (the Act)) 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 17(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 17(A), to the allotment (otherwise than under 18(A) above) of equity securities for cash with an aggregate nominal value of up to £10,282,335 (being approximately 5% of the issued ordinary share capital as at 15 March 2017),

such authority to expire (unless previously renewed, varied or revoked by the company in general meeting) at the close of the AGM in 2018 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.

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

THAT, subject to resolution 17 being passed, the board be given authority to allot equity securities (as defined in the Companies Act 2006 (the Act)) for cash under the authority given by that resolution, free of the restriction in section 561(1) of the Act and in addition to any power given to it pursuant to resolution 18, such authority to be limited:

in the case of the authority granted under resolution 17(A), to the allotment of equity securities for cash with an aggregate nominal value of up to £10,282,335 (being approximately 5% of the issued ordinary share capital as at 15 March 2017), and provided that the allotment is for the purposes of financing (or refinancing, if the power is used within six months of the original transaction) a transaction which the directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-emption Rights most recently published by the Pre-emption Group prior to the date of the notice of the meeting, and

such authority to expire (unless previously renewed, varied or revoked by the company in general meeting) at the close of the AGM in 2018 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.

20. 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 Companies Act 2006) 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 82,258,685; (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 2018 (unless previously renewed, 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.

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

THAT, in accordance with the company's Articles of Association, the company be and is hereby authorised until the close of the AGM in 2018, to call general meetings (other than an annual general meeting) on not less than 14 clear days' notice.

By order of the board



**Stephen Jones**

Company secretary

29 March 2017

# 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, 2 May 2017.

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, 5 May 2017 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, 3 May 2017. 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.

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.

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6. As at 15 March 2017 (being the latest practicable date prior to the publication of this notice) the company's issued share capital consisted of 822,586,857 ordinary shares, carrying one vote each. Therefore, the total number of voting rights in the company as at 15 March 2017 was 822,586,857. As at 15 March 2017, 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 6.30 pm on Wednesday, 3 May 2017 (the voting record date) (or, if the meeting is adjourned, at 6.30 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 6.30 pm on Wednesday, 3 May 2017 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.
  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/agma](http://www.pearson.com/agma)  
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 – <https://www.pearson.com/news/media/news-announcements.html> as soon as possible following the AGM.



# Pearson

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### **Pearson plc**

Registered number 53723 (England)