

The Pearson logo consists of the word "PEARSON" in white, uppercase, sans-serif font, centered within a dark blue rectangular box. Below the text is a white, curved line that arches under the letters.

Letter from the Chairman on business to be transacted at the Annual General Meeting at 12 noon on Friday, 1 May 2009 and Notice of Annual General Meeting

This document is important and requires your immediate attention.

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 registrars, Equiniti, no later than 12 noon on Wednesday, 29 April 2009. Alternatively, you may register your vote online by visiting the website of our registrars at www.sharevote.co.uk or, if you have a portfolio registered with Equiniti, by logging onto www.shareview.co.uk. In order to register your vote online you will need to enter the Voting I.D., Task I.D. 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 form of proxy. 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. Electronic and CREST proxy voting instructions should also be submitted no later than 12 noon on Wednesday, 29 April 2009.

To shareholders

26 March 2009

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 The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1P 3EE at 12 noon on Friday, 1 May 2009.

Voting on all of the proposed resolutions at the AGM will be conducted on a poll rather than on a show of hands. This is in line with recommended best practice as published in the Myners Report to the Shareholder Voting Working Group.

Voting by calling 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 members 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 reports of the directors of the company (directors) and auditors of the company (auditors);

The final dividend for the year ended 31 December 2008;

Re-election and reappointment of directors;

Approval of the report on directors' remuneration;

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

Increase in the company's authorised share capital;

Waiver of pre-emption rights in certain circumstances;

Authority for the company to purchase its own shares;

Amendment to Articles of Association (Articles); and

Approval of a 14 day notice period for general meetings in accordance with the Shareholder Rights Directive.

A brief description of these matters is set out below.

Notice of AGM

The Notice convening the AGM is set out on pages 6 to 8 of this document.

Report and accounts and final dividend

(resolutions 1 and 2)

The first item at the AGM will be the receipt and consideration of the company's accounts and the reports of the directors and auditors for the financial year ended 31 December 2008.

Separately, shareholders will also be asked to approve the payment of a final dividend of 22p per ordinary share in respect of the year ended 31 December 2008, as recommended by the directors.

It is proposed that the dividend will be paid on 8 May 2009 to shareholders on the register at close of business on 14 April 2009 (the record date).

Re-election and reappointment of directors

(resolutions 3 to 14)

Although not required by the company's Articles, all of the directors being eligible, will offer themselves for re-election, in the interests of good corporate governance.

David Arculus, aged 62, is a non-executive director of Telefónica SA and was chairman of O2 plc from 2004 until it was acquired by Telefónica at the beginning of 2006. His previous roles include chairman of Severn Trent plc and IPC Group, chief operating officer of United Business Media plc and group managing director of EMAP plc. He became a non-executive director of Pearson in February 2006.

Terry Burns, aged 64, is chairman of Abbey National plc, Alliance & Leicester plc and of Glas Cymru Limited and is a non-executive director of Banco Santander SA. He was previously chairman of Marks and Spencer Group plc. He was the UK government's chief economic adviser from 1980 until 1991 and Permanent Secretary of HM Treasury from 1991 until 1998. He was appointed a non-executive director of Pearson in May 1999 and senior independent director in February 2004.

Patrick Cescau, aged 60, was previously group chief executive of Unilever. He is a non-executive director of Tesco plc and became a non-executive director of Pearson in April 2002.

Rona Fairhead, aged 47, chairman and chief executive of The Financial Times Group, joined the Pearson board in June 2002 as chief financial officer. She was appointed chief executive of The Financial Times Group in June 2006 and became responsible for Pearson VUE in March 2008. From 1996 until 2001, she worked at ICI, where she served as executive vice president, group control and strategy. She is also chairman of Interactive Data, a non-executive director of HSBC Holdings plc and chairs the HSBC audit committee.

Robin Freestone, aged 50, chief financial officer, joined Pearson in 2004 as deputy chief financial officer and became chief financial officer in June 2006, when he also joined the Pearson board. He was previously group financial controller of Amersham plc (now part of GE). He qualified as a chartered accountant with Touche Ross (now Deloitte). He is also a non-executive director and founder shareholder in eChem Limited.

Susan Fuhrman, aged 64, is president of Teachers College at Columbia University, America's oldest and largest graduate school of education. She was previously dean of the Graduate School of Education at the University of Pennsylvania. She is a member of the Board of Trustees of the Carnegie Foundation for the Advancement of Teaching and an officer of the National Academy of Education. She became a non-executive director of Pearson in July 2004.

Ken Hydon, aged 64, is a non-executive director of Tesco plc, Reckitt Benckiser Group plc and Royal Berks NHS Foundation Trust. He was previously financial director of Vodafone Group plc and subsidiaries of Racal Electronics. He became a non-executive director of Pearson in February 2006.

John Makinson, aged 54, chairman and chief executive of The Penguin Group, joined the Pearson board in March 1996 and was finance director until June 2002. He was appointed chairman of The Penguin Group in May 2001. He is also chairman of the Institute of Public Policy Research and a director of The National Theatre and The International Rescue Committee (UK).

Glen Moreno, aged 65, chairman. He was appointed chairman of Pearson on 1 October 2005. He is the senior independent director of Man Group plc and a director of Fidelity International Limited. He was recently made acting chairman of UK Financial Investments Limited, the company set up by HM Treasury to manage the government's shareholdings in UK banks.

Marjorie Scardino, aged 62, chief executive, joined the Pearson board in January 1997. She trained and practised as a lawyer, and was chief executive of

The Economist Group from 1993 until joining Pearson. She is also vice chairman of Nokia Corporation and a director of several charitable organisations.

Having been appointed since the last AGM, Will Ethridge and CK Prahalad will retire at the forthcoming AGM and, in accordance with the company's Articles and being eligible, will offer themselves for reappointment.

Will Ethridge, aged 57, chief executive, Pearson Education North America, joined the Pearson board in May 2008, having held a number of senior positions within Pearson Education. He is chairman of CourseSmart, a publishers' consortium, vice chairman of the Association of American Publishers and a director of Interactive Data.

C K Prahalad, aged 67, is a distinguished university professor of corporate strategy and international business at The University of Michigan Business School. He is a director of NCR, Hindustan Unilever Corporation, World Resources Institute and The Indus Entrepreneurs. He became a non-executive director of Pearson in May 2008.

In addition, David Bell will retire at the forthcoming AGM and will not offer himself for re-election.

Report on directors' remuneration (resolution 15)

Shareholders will be asked to approve the report on directors' remuneration in accordance with the provisions of the Directors' Remuneration Report Regulations 2002.

Auditors (resolutions 16 and 17)

Resolutions will be proposed to reappoint PwC as auditors until the conclusion of the AGM in 2010 and to authorise the directors to determine the remuneration of the auditors.

Directors' authority to allot shares (resolution 18)

Shareholders will be asked, pursuant to the provisions of section 80 of the Companies Act 1985 (the Act), to confer on the board of directors the authority to allot shares for a period ending at the close of the AGM in 2010. This resolution is conditional on resolution 19 being passed.

If passed, the new authority would permit the allotment of up to approximately 270 million ordinary shares (representing approximately 33.3% of Pearson's issued ordinary share capital at 4 March 2009); save in connection with an offer by way of a rights issue in which case the authority would permit the allotment of up to approximately 540 million ordinary shares

(representing approximately 66.6% of Pearson's issued share capital at 4 March 2009) - in each case over and above those committed to the various share option and employee share plans. At the date this Notice was approved by the board, the directors have no current intention to exercise this authority, although they consider its grant to be appropriate in order to preserve maximum flexibility for the future.

Proposed increase in authorised share capital (resolution 19)

Shareholders will be asked to approve an increase in the authorised ordinary share capital of the company to ensure that a reasonable amount of unissued equity is available to take advantage of opportunities for expansion which may arise in the future. If this resolution is passed, there will be approximately 790 million ordinary shares unissued, including approximately 107 million ordinary shares (representing approximately 7% of the enlarged authorised ordinary share capital) reserved for the various share option and employee share plans. The increase represents approximately 33% of the current authorised share capital.

Waiver of pre-emption rights (resolution 20)

A resolution will also be proposed to waive (under the provisions of section 95 of the Act) the statutory pre-emption provisions applicable to the allotment of equity securities for cash contained in section 89 of the Act for a period ending at the close of the AGM in 2010.

Accordingly, resolution 20 proposes authority to issue ordinary shares 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 approximately 40 million ordinary shares, representing approximately 5% of Pearson's issued ordinary share capital as at 4 March 2009. This resolution is conditional on resolutions 18 and 19 being passed.

At the date this notice was approved by the board, the directors have no current intention to exercise this authority, although they consider its grant to be appropriate in order to preserve maximum flexibility for the future. The directors also intend to comply with the Pre-Emption Group's Statements of Principles in relation to the cumulative three year cap regarding non-pre-emptive issues for cash.

Authority to purchase own shares (resolution 21)

Shareholders will be asked (as in previous years) 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 is in the best interests of the company to do so, having first considered the other investment opportunities open to the company.

A 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 162A 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 2010, will be limited to the purchase of 80 million ordinary shares, representing approximately 10% of Pearson's issued ordinary share capital as at 4 March 2009. 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 market value of ordinary shares of the company derived from the London Stock Exchange Daily Official List for the five business days before the purchase is made 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, and 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 Services Authority (FSA) requirements in seeking this authority and should not be taken as any representation of the terms upon which the company intends to make such purchases. The directors have no current intention to exercise this authority.

The total number of options to subscribe for ordinary shares which were outstanding at 4 March 2009, the latest practicable date prior to the publication of this document, was 14 million, which represents 1.74% of the issued share capital of the company at that date and would represent 1.93% of the company's issued share capital, if the maximum number of 80 million shares were to be purchased by the company.

Amendment to Articles of Association (resolution 22)

The provisions regulating the operations of the company are currently set out in the company's Memorandum and Articles of Association. The company's Memorandum contains, amongst other things, the objects clause which sets out the scope of the activities the company is authorised to undertake. Under the Companies Act 2006 (the 2006 Act), the objects clause and all other provisions which are contained in the company's Memorandum will be deemed to be contained in the company's Articles from 1 October 2009, but the company can remove these provisions. The 2006 Act abolishes the need for a company to have an objects clause. The company is proposing to remove its objects clause together with the other provisions of its Memorandum. The 2006 Act also abolishes the requirement for a company to have an authorised share capital and the resolution reflects this. Directors will still be limited as to the number of shares they can allot because allotment authority continues to be required under the 2006 Act, save in respect of employee share schemes.

Notice of meetings (resolution 23)

Although our Articles already grant the company the authority to call general meetings (other than annual general meetings) on 14 days' notice, under the Shareholder Rights Directive 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 shareholders to preserve the shorter notice period.

Annual General Meeting

The resolutions referred to in this letter are included in the Notice of AGM set out on pages 6 to 8 of this document. The AGM is to be held at The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1P 3EE at 12 noon on Friday, 1 May 2009. 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 registrars, Equiniti, not less than 48 hours before the time of the meeting. Alternatively, you may register your vote online by visiting the website of our registrars at www.sharevote.co.uk or, if you already have a portfolio registered with them, by logging onto www.shareview.co.uk. In order to register your vote online you will need to enter the Voting I.D., Task I.D. 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 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 in person but would like to ask a question, please e-mail glenmoreno-agm@pearson.com.

Recommendation

In the opinion of the directors, the passing of resolutions 1 to 23 is in the best interests of the company and its shareholders as a whole. Your directors unanimously recommend you to vote in favour of resolutions 1 to 23 as they intend to do in respect of their own beneficial holdings.

Yours sincerely



Glen Moreno Chairman

Directors

Chairman

G R Moreno

Executive directors

M M Scardino (chief executive)

D C M Bell (director for people)

W T Ethridge (chief executive, Pearson Education North America)

R A Fairhead (chairman and chief executive of The Financial Times Group)

R A D Freestone (chief financial officer)

J C Makinson (chairman and chief executive of The Penguin Group)

Non-executive directors

T D G Arculus

T Burns

P J Cescau

S H Fuhrman

K J Hydon

C K Prahalad