

The Companies Act 1985
Company Limited by Shares
ARTICLES OF ASSOCIATION
of

PEARSON GROUP PENSION TRUSTEE LIMITED

Number 1765290 As at 7th June 1993

INTERPRETATION

In these Articles:

" 'A' Directors" means the directors who are Eligible 'A' Directors at the date of adoption of these Articles and the directors appointed by the 'A' Shareholders pursuant to Article 12, including their alternates;

" 'A' Shareholder" means a holder of 'A' shares;

" 'A' Shares" means 'A' ordinary shares of £1 each in the Company;

"Board" means the directors or any of them acting as the board of directors of the Company;

" 'B' Directors" means the directors who are Eligible 'B' Directors at the date of adoption of these Articles and the directors appointed by the 'B' Shareholders pursuant to Article 13, including their alternatives;

" 'B' Shareholder" means a holder of 'B' shares;

" 'B' Shares" means 'B' ordinary shares of £1 each in the Company;

"Company" means Pearson Group Pension Trustee Limited;

"Eligible 'A' Director" means a person who is an employee or Executive director of a Group Company;

"Eligible 'B' Director" means a person who is not an Eligible 'A' Director;

"Eligible 'A' Shareholder" means any Group Company;

"Eligible 'B' Shareholder" means a person who is neither an employee nor an executive director of a Group Company;



"Group Company" means the Principal Employer, any holding company for the time being of the Principal Employer and any subsidiary for the time being of the Principal Employer or any such holding company;

"Participating Company" means a company participating in the Plan in accordance with the Rules for the benefit of its employees;

"Plan" means The Pearson Group Pension Plan which is governed by (inter alia) a trust deed dated July 1988;

"Principal Employer" means Pearson Services Limited or the company, person or body of persons which is for the time being the Principal Employer under the Plan in accordance with the provisions of the Plan;

"Rules" means the Rules of the Plan as in force from time to time.

PRELIMINARY

1. Subject as herein provided, the regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (in these Articles referred to as Table A) shall apply to the Company.

2. The following provisions of Table A shall not apply to the Company:

In Article 24, the words "which is not fully paid"; in Article 66, the last sentence; in Article 81, the provisions of paragraph (e); Article 64 and Article 90.

SHARE CAPITAL

3. The share capital of the Company as at the date of adoption of these Articles is £102 divided into 51 'A' Shares and 51 'B' Shares. The 'A' Shares and the 'B' Shares constitute different classes of shares but, save as expressly provided in these Articles, shall confer the same rights upon the holders thereof and shall rank pari passu in all respects.

4. Subject to the provisions of the Act, unissued shares in the capital of the Company for the time being shall only be allotted as follows:-

- (a) no shares shall be issued otherwise than as 'A' Shares or 'B' Shares;
- (b) no shares of either class shall be issued otherwise than to members holding shares of the same class without the prior written consent of all the members; and

- (c) as between holders of shares of the same class (if more than one), the shares of the class being allotted shall be allotted (as nearly as practicable) in proportion to such holders' then existing holdings of shares of that class or in such other proportions between them as all the members holding shares of the same class shall agree in writing.

VARIATION OF RIGHTS

5. Whenever the capital of the Company is divided into different classes of shares, the rights attached to any class may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated, whether or not the Company is being wound up, either with the consent in writing of the holders of three-fourths of the issued shares of the class, or with the sanction of an extraordinary resolution passed at a separate general meeting of such holders (but not otherwise). All the provisions of the Articles relating to general meetings of the Company and the proceedings thereat shall, mutatis mutandis, apply to every such separate general meeting, except that:-

- (a) the necessary quorum shall be the holders of all the shares of the relevant class present in person or by proxy; and
- (b) the holders of shares of the class shall, on a poll, have one vote in respect of every share of the class held by them respectively.

6. Unless otherwise provided by the rights attached to any shares, those rights shall be deemed to be varied by the reduction of the capital paid up on the shares and by the allotment of further shares of, and the variation of rights attaching to any class, whether or not they rank in priority for payment of a dividend or in respect of capital or confer on the holders voting rights more favourable than those conferred by such first mentioned shares.

TRANSFER OF SHARES

7. (a) Except as all the members may otherwise agree in writing, no share in the capital of the Company or any interest therein or any right of allotment in respect thereof shall be transferred otherwise than in accordance with this Article 7.

- (b) An 'A' Shareholder or other person entitled to transfer 'A' Shares in the Company may transfer any 'A' Shares registered in his name or which he is entitled to transfer to a person who is an Eligible 'A' Shareholder.

- (c) A 'B' Shareholder or other person entitled to transfer 'B' Shares in the Company shall, in the circumstances specified in paragraph (e) below, and may, in any other case, transfer all (but not some) of the shares registered in his name or which he is entitled to transfer to a person who is an Eligible 'B' Shareholder in accordance with the following provisions of this Article.
- (d) A 'B' Shareholder (hereinafter called "the proposing transferor") proposing to transfer any shares shall give notice in writing (hereinafter called "the transfer notice") to the Company that he desires to transfer the same. The transfer notice shall constitute the Company as the agent of the proposing transferor for the sale of all (but not some of) the shares comprised in the transfer notice at the price specified in accordance with paragraph (f) below. A transfer notice shall not be revocable except with the sanction of the 'B' Directors.
- (e) A 'B' Shareholder who is a 'B' Director shall, on ceasing to be a 'B' Director, give a transfer notice to the Company pursuant to paragraph (d) of this Article. If any such 'B' Shareholder does not comply with the foregoing provisions of this paragraph, he shall be deemed to have given a transfer notice under paragraph (d) of this Article on the date on which he ceased to be a 'B' Director in respect of the shares registered in his name.
- (f) The purchase price payable for any share on a transfer pursuant to the provisions of these Articles shall be £1 per share.
- (g) Within 7 days following receipt by the Company of a transfer notice or, if appropriate, within 7 days after a 'B' Shareholder is deemed to have given a transfer notice, under paragraph (d), the 'B' Directors or a majority thereof shall nominate for all (but not some) of the shares comprised in the transfer notice a transferee who satisfies the requirement of paragraph (c) of this Article and is ready and willing to become a member of the Company. If no such person is nominated by the 'B' Directors (as appropriate) the 'B' Shareholder who served a transfer notice may make such a nomination.
- (h) When a transferee has been found for all the shares comprised in the transfer notice within the appropriate period specified in paragraph (g) above, the Company shall not later than seven days after the expiry of such appropriate period give notice in writing (hereinafter called "the

sale notice") to the proposing transferor specifying the transferee and the proposing transferor shall be bound upon payment of the price due in respect of all the shares comprised in the transfer notice to transfer the shares to the transferee.

- (i) If in any case the proposing transferor after having become bound to transfer his shares makes default in transferring any shares the Company may receive the purchase money on his behalf, and the Company, or the 'B' Directors in respect of such a transfer of 'B' Shares, may authorise some person to execute a transfer of such shares in favour of the transferee. The receipt of the Company for the purchase money shall be a good discharge to the transferee. The Company shall pay the purchase money into a separate bank account.
- (j) Any decision of the Board whether to register a transfer of 'A' Shares shall be made by the 'A' Directors or a majority thereof and any decision of the Board whether to register a transfer of 'B' Shares shall be made by the 'B' Directors or a majority thereof and Article 24 in Table A shall be modified accordingly.
- (k) In the application of Articles 29 to 31 in Table A to the Company:-
 - (i) any person becoming entitled to a share in consequence of the death or bankruptcy of a 'B' Shareholder shall give a transfer notice before he elects in respect of any share to be registered himself or to execute a transfer;
 - (ii) if a person so becoming entitled shall not have given a transfer notice in respect of any share within one month of the death or bankruptcy, the 'B' Directors may at any time thereafter upon resolution passed by them give notice requiring such person within thirty days of such notice to give a transfer notice in respect of all the shares to which he has so become entitled and for which he has not previously given a transfer notice and if he does not do so he shall at the end of such thirty days be deemed to have given a transfer notice pursuant to paragraph (d) of this Article relating to those shares in respect of which he has still not done so.

PROCEEDINGS AT GENERAL MEETINGS

8. No business shall be transacted at any meeting unless a quorum is present at the time when the relevant business is being transacted. The necessary quorum shall be all the holders for the time being of the 'A' Shares and the 'B' Shares and Article 40 in Table A is modified accordingly. Such holders may be present in person or by proxy or, being a corporation, by a duly authorised representative thereof.

9. A resolution shall not be validly passed unless a poll shall be taken and accordingly Articles 46 to 48 (inclusive) in Table A shall not apply to the Company. The Chairman shall not have a second or casting vote in the case of an equality of votes.

10. A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting shall be as effective as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more members. If the resolution in writing is described as a special resolution or as an extraordinary resolution it shall have effect accordingly.

NUMBER OF DIRECTORS

11. The number of directors (other than alternate directors) shall be seven.

12. 'A' Shareholders holding a majority in number of the 'A' Shares shall be entitled at any time and from time to time to appoint a total of four directors as 'A' Directors and to remove or replace any 'A' Director. A person may only be appointed as an 'A' Director, and shall only hold office as such, for so long as he is an Eligible 'A' Director.

13. (a) 'B' Shareholders holding a majority in number of the 'B' Shares shall be entitled at any time and from time to time to appoint a total of three directors as 'B' Directors and to remove or replace any 'B' Director. On a resolution of the Company to remove a 'B' Director each 'B' Shareholder shall have the right to two votes for each 'B' Share of which he is the holder, and Article 54 in Table A shall be modified accordingly. A person may only be appointed as a 'B' Director, and shall only hold office as such, for so long as he is an Eligible 'B' Director.

(b) A 'B' Director shall within four months of the date of his appointment as such, or the date of adoption of these Articles, whichever is the later, hold at least 17 'B' Shares and shall continue

to hold the same for so long as he shall hold office as a 'B' Director.

14. Every such appointment or removal of a director under Article 12 or Article 13 shall be effected by notice in writing to the Company signed by or on behalf of the member or members making the same and shall take effect, subject to any contrary intention expressed in the notice, when the notice effecting the same is delivered to the registered office of the Company and any such removal shall be without prejudice to any claim which a director so removed may have under any contract between him and the Company.

15. No person shall be appointed as a director by any other person or persons in any event whatsoever.

ALTERNATE DIRECTORS

16. 'A' Shareholders holding a majority in number of the 'A' Shares may at any time and from time to time appoint any person to be an alternate director to represent any 'A' Director and to remove from office an alternate director so appointed.

17. 'B' Shareholders holding a majority in number of the 'B' Shares may at any time and from time to time appoint any person to be an alternate director to represent any 'B' Director and to remove from office an alternate director so appointed.

18. For the purpose of these Articles, an alternate director appointed to represent an 'A' Director shall be deemed to be an 'A' Director and an alternate director appointed to represent a 'B' Director shall be deemed to be a 'B' Director.

19. An alternate director shall be entitled to receive notice of all meetings of the Board and of all meetings of committees of the Board of which the director he has been appointed to represent is a member, to attend and vote at any such meeting at which such director is not personally present, and generally to perform all the functions of such director as a director in his absence.

20. A director or any other person may be appointed as an alternate director to represent more than one director provided however that an alternate director may not be appointed to represent both one or more 'A' Directors as well as one or more 'B' Directors. An alternate director shall be entitled at meetings of the Board or any committee of the Board to one vote for every director whom he has been appointed to represent in addition to his own vote (if any) as a director, and for the purpose of determining whether a

quorum is present a director shall, if he is not present, be deemed to be present at the meeting if the person appointed as his alternate director is present.

ROTATION OF DIRECTORS

21. The directors shall not be required to retire by rotation and Articles 73 to 80 (inclusive) in Table A shall not apply to the Company.

INTEREST OF DIRECTORS

22. (a) A director may vote at any meeting of the directors on any resolution notwithstanding that it in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever, including without limitation an interest under the Plan, and if he shall vote on any such resolution as aforesaid his vote shall be counted; and in relation to any such resolution as aforesaid he shall (whether or not he shall vote on the same) be taken into account in calculating the quorum present at the meeting.

(b) Articles 94 to 98 (inclusive) in Table A shall not apply to the Company.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

23. (a) The office of a director shall be vacated or shall be deemed to be vacated (as appropriate) if the director:-

- (i) is removed pursuant to Article 12 or 13; or
- (ii) becomes bankrupt or makes any composition or arrangement with his creditors; or
- (iii) becomes prohibited from being a director by reason of any order made under Sections 1 to 5 of the Company Directors Disqualification Act 1986; or
- (iv) becomes incapable by reason of illness or injury of managing and administering his property and affairs, and Article 82 in Table A shall be modified accordingly; or
- (v) resigns his office by notice in writing to the Company; or
- (vi) is removed by ordinary resolution under Section 303 of the Act; or
- (vii) being an 'A' Director, ceases to be an Eligible 'A' Director; or

(viii) being a 'B' Director, ceases to be an Eligible 'B' Director or fails to acquire or ceases to hold the requisite qualification shares in accordance with Article 13(b).

(b) A director shall not be required to vacate his office and no person shall be ineligible for appointment or re-appointment as a director by reason of his attaining the age of seventy or any other age.

PROCEEDINGS OF DIRECTORS

24. Subject to the provisions of the Articles, the Board may regulate its proceedings as it thinks fit. A director may, and the Secretary at the request of a director shall, call a meeting of the Board. Fourteen clear days' notice of any meeting shall be given unless all directors agree to a shorter period of notice. It shall be necessary to give notice of a meeting to a director who is absent from the United Kingdom unless he shall not have given an address to which notices may be sent during his absence. Any such notice shall contain, inter alia, an agenda specifying in reasonable detail the matters to be discussed at the relevant meeting and shall be accompanied by copies of any relevant papers to be discussed at the meeting and, if sent to an address outside the United Kingdom, shall be sent by courier, telex, or facsimile, whichever method is the fastest available.

25. A resolution in writing signed by all the directors entitled to receive notice of a meeting of the Board or of a committee of the Board (not being less than the number of directors required to form a quorum of the Board) shall be as valid and effectual as if it had been passed at a meeting of the Board or (as the case may be) a committee of the Board duly convened and held and for this purpose:-

- (a) a resolution may consist of several documents to the same effect each signed by one or more directors;
- (b) a resolution signed by an alternate director need not also be signed by the director he has been appointed to represent; and
- (c) a resolution signed by a director in respect of whom an alternate director has been appointed need not also be signed by the alternate director in that capacity.

26. The following matters in relation to the Plan shall be decided by a majority of votes of the directors present in person or by their alternates:-

- (a) Augmentation of benefits

Agreement to augmentation of benefits in the case of an individual joining or leaving the Plan and, in special cases, as a member of the Plan.

(b) Benefit structures

Approval of the Principal Employer's proposals for improvements in benefit structure (including increases to pensions in payment).

(c) Participation of employees in sections of the Plan

Consenting to the Principal Employer's proposals for participation of employees of any Participating Company in a section or sections of the Plan in addition to or in substitution for the section in which employees of that Participating Company are at that date already participating.

(d) Investments

The management of the assets of the Plan.

(e) Additional voluntary contributions by members

Co-ordination of arrangements.

(f) Insurance

Insurance of the assets of the Plan. Insurance and reinsurance of liabilities such as death-in-service benefits.

(g) Administration

27. The following matter in relation to the Plan shall be decided by a majority of votes of the directors present in person (or by their alternates) provided that no resolution of the directors shall be effective unless all the 'B' Directors shall have voted in favour thereof:-

The removal of the Company as trustee of the Plan.

28. The following matter in relation to the Plan shall be decided by a unanimous decision of the 'B' Directors whether in a majority or not:-

The winding up of the Plan when the 'B' Directors decide that it is in the best interests of all the members and beneficiaries of the Plan in accordance with the trust deed governing the Plan and the Rules.

29. All other matters in relation to the Plan, including but without limitation those set out below, shall be decided by a majority of votes of the directors present in person (or by their alternates), provided that no resolution of the directors shall be effective unless at least two 'B' Directors shall have voted in favour thereof:-

- (a) the approval of the appointment of the actuary to the Plan;
- (b) the making and receiving of transfer payments from and to the Plan;
- (c) the admission of new Participating Companies to the Plan and the terms of such admission;
- (d) use of the power of amendment, other than for the purpose described in Article 26(b);
- (e) the winding up of the Plan whether in whole or in part, and all matters in connection therewith;
- (f) determination of entitlements to benefits under the Plan;
- (g) resolution of disputes; and
- (h) decisions regarding the vesting of contingent benefits pursuant to the exercise of any discretion vested in the trustee under the Plan.

30. The quorum for the transaction of all business shall be at least three directors present at the time when the relevant business is transacted and Article 89 in Table A is modified accordingly.