



Pearson Funding plc

(incorporated with limited liability in England and Wales)

Pearson Funding LLC

(a Delaware limited liability company)

unconditionally and irrevocably guaranteed by

Pearson plc

(incorporated with limited liability in England and Wales)

£3,000,000,000 Euro Medium Term Note Programme

Pearson Funding plc and Pearson Funding LLC (each an “**Issuer**” and together, the “**Issuers**”) have established a Euro Medium Term Note Programme (the “**Programme**”) described in these base listing particulars (the “**Listing Particulars**”). Pursuant to the Programme, the Issuers may from time to time issue notes (“**Notes**”) unconditionally and irrevocably guaranteed (the “**Guarantee**”) by Pearson plc (the “**Guarantor**” or “**Pearson**”) up to the maximum aggregate principal amount of £3,000,000,000.

Notes will be issued in series (each a “**Series**”) in bearer form or registered form, as specified in the relevant Pricing Supplement (as defined below). Each Series may comprise one or more tranches (each a “**Tranche**”) issued on different issue dates. Each Tranche of Notes will be issued on the terms set out herein under “Terms and Conditions of the Notes” (the “**Conditions**”) as amended and/or supplemented by a document specific to such Tranche called a pricing supplement (the “**Pricing Supplement**”). These Listing Particulars must be read and construed together with all documents incorporated by reference herein, any amendments or supplements hereto and, in relation to any Tranche of Notes which is the subject of a Pricing Supplement, must be read and construed together with the relevant Pricing Supplement. References in these Listing Particulars to “**relevant Issuer**” shall, in relation to any issue or proposed issue of Notes, be references to whichever of Pearson Funding plc or Pearson Funding LLC is specified as the Issuer of such Notes in the relevant Pricing Supplement.

The Notes are constituted by, have the benefit of and are in all respects subject to a trust deed dated 17 April 2026 (as amended, restated and/or supplemented from time to time, the “**Trust Deed**”) between the Issuers, the Guarantor and The Law Debenture Trust Corporation p.l.c. (the “**Trustee**”), which expression shall include all persons appointed for the time being as trustee or trustees under the Trust Deed) as trustee for the holders of the Notes (the “**Noteholders**”). The Notes also have the benefit of an agency agreement dated 17 April 2026 (as amended, restated and/or supplemented from time to time, the “**Agency Agreement**”) between the Issuers, the Guarantor, the Trustee, The Bank of New York Mellon, London Branch as principal paying agent (the “**Principal Paying Agent**”) and The Bank of New York Mellon SA/NV, Dublin Branch as registrar and transfer agent.

Application has been made to the London Stock Exchange plc (the “**London Stock Exchange**”) for Notes issued under the Programme within 12 months after the date hereof to be admitted to trading on the International Securities Market of the London Stock Exchange (the “**ISM**”). References in these Listing Particulars to Notes being “admitted to trading” (and all related references) shall mean, in the context of the ISM, that such Notes have been admitted to trading on the ISM. The ISM is not a regulated market for the purposes of Directive 2014/65/EU (as amended, “**EU MiFID II**”) or a UK regulated market for the purposes of Regulation (EU) No 600/2014 as it forms part of United Kingdom (“**UK**”) domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”) (“**UK MiFIR**”). These Listing Particulars are not a base prospectus for the purposes of Article 8 of the Regulation (EU) 2017/1129 (as amended, the “**Prospectus Regulation**”) or Rule 2.3 of the Prospectus Rules: Admission to Trading on a Regulation Market sourcebook and no such base prospectus is required in connection with the issuance of Notes. These Listing Particulars comprise admission particulars in respect of all Notes issued under the Programme and admitted to trading on the ISM, in accordance with the ISM Rulebook (as defined below).

Neither Issuer is offering the Notes in any jurisdiction in circumstances that would require a prospectus to be prepared pursuant to the Prospectus Regulation or the Financial Services and Markets Act 2000 (as amended, the “**FSMA**”).

The ISM is a market designated for qualified investors (as prescribed in Regulation 16 of the Public Offers and Admissions to Trading Regulations 2024 (SI 2024/105) (the “POATRs”). The London Stock Exchange, as a Recognised Investment Exchange, does not make assessments of investor eligibility. Given that under Regulation 16 of the POATRs, only qualified investors are permitted to trade on the ISM and no qualified investor is permitted to trade on behalf of persons who are not themselves qualified investors, financial intermediaries acting for investors are responsible for ensuring that only investors who are qualified investors as prescribed by Regulation 16 of the POATRs are permitted to trade on the ISM. Notes admitted to trading on the ISM are not admitted to the Official List of the UK Financial Conduct Authority (the “FCA”). Neither the London Stock Exchange nor the FCA has approved or verified the contents of these Listing Particulars.

The Guarantor has been rated “Baa2” by Moody’s Investors Service Limited (“**Moody’s**”) and “BBB” by Fitch Ratings Ltd (“**Fitch**”). The Programme is expected to be rated “Baa2” by Moody’s and “BBB” by Fitch. Each of Moody’s and Fitch is established in the UK and is registered under Regulation (EC) No. 1060/2009 as it forms part of UK domestic law by virtue of the EUWA (the “**UK CRA Regulation**”). Ratings issued by Moody’s and Fitch are endorsed by Moody’s Deutschland GmbH and Fitch Ratings Ireland Limited, respectively, each of which is established in the European Economic Area (the “**EEA**”) and registered under Regulation (EU) No 1060/2009 on credit rating agencies (the “**EU CRA Regulation**”). Certain Tranches of Notes to be issued under this Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the ratings specified above and will be specified in the relevant Pricing Supplement. A rating is not a recommendation to buy, sell, or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (“**Regulation S**”)) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and the securities laws of the applicable state or other jurisdiction of the United States.

Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the relevant Issuer to fulfil its obligations under the Notes and the Guarantor to fulfil its obligations under the Guarantee are discussed under “*Risk Factors*” below.

Arranger

Barclays

Dealers

Barclays

BofA Securities

HSBC

The date of these Listing Particulars is 17 April 2026.

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IMPORTANT NOTICES

Responsibility for these Listing Particulars

The Issuers and the Guarantor each accept responsibility for the information contained in these Listing Particulars and any Pricing Supplement and each declares that, having taken all reasonable care to ensure that such is the case, the information contained in these Listing Particulars and any Pricing Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Pricing Supplement

Each Tranche (as defined below) will be issued on the terms set out in the Conditions as completed by a Pricing Supplement as described under “*Pricing Supplement and Supplementary Listing Particulars*” below. Copies of any Pricing Supplement in relation to Notes to be listed on the ISM will be published on the website of the London Stock Exchange through a regulatory information service or will be published in such other manner permitted by the International Securities Market Rulebook effective as of 19 January 2026 (as may be modified and/or supplemented and/or restated from time to time, the “**ISM Rulebook**”).

Other relevant information

These Listing Particulars are to be read in conjunction with all documents which are incorporated herein by reference (see “*Documents Incorporated by Reference*”). These Listing Particulars shall be read and construed on the basis that such documents are incorporated in and form part of these Listing Particulars.

Other than in relation to the documents which are deemed to be incorporated by reference (See “*Documents Incorporated by Reference*”), the information on the websites to which these Listing Particulars refer does not form part of these Listing Particulars.

Unauthorised information

No person has been authorised to give any information or to make any representation not contained in or not consistent with these Listing Particulars or any other document entered into in relation to the Programme or any information supplied by the Issuers and the Guarantor and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuers, the Guarantor, the Trustee or any Dealer.

None of the Dealers, any of their respective affiliates or the Trustee has authorised the whole or any part of these Listing Particulars and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in these Listing Particulars. None of the Dealers or the Trustee accepts any liability in relation to the information contained or incorporated by reference in these Listing Particulars or any other information provided by the Issuers or the Guarantor in connection with the Programme. Neither the delivery of these Listing Particulars or any Pricing Supplement nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in these Listing Particulars is true subsequent to the date hereof or the date upon which these Listing Particulars have been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial performance or financial position of the Issuers or the Guarantor since the date thereof or, the date upon which these Listing Particulars have been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Restrictions on distribution

The distribution of these Listing Particulars and any Pricing Supplement and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession these Listing Particulars or any Pricing Supplement comes are required by the Issuers, the Guarantor and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of these Listing Particulars or any Pricing Supplement and other offering material relating to the Notes, see “*Subscription and Sale*”. In particular, neither the Notes nor the Guarantee have been nor will they be registered under the Securities Act. Subject to certain exceptions, Notes may not be offered, sold or (in the case of Notes in

bearer form) delivered within the United States or to U.S. persons (as defined in Regulation S under the Securities Act). The Bearer Notes are subject to U.S. tax law requirements.

Neither these Listing Particulars nor any Pricing Supplement constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuers, the Guarantor, the Dealers or any of them that any recipient of these Listing Particulars or any Pricing Supplement should subscribe for or purchase any Notes. Each recipient of these Listing Particulars or any Pricing Supplement shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuers or the Guarantor.

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed £3,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into pounds sterling at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Dealer Agreement)). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement as defined under “*Subscription and Sale*”.

Ratings

Tranches of Notes to be issued under this Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the ratings specified on the front cover of these Listing Particulars and will be specified in the relevant Pricing Supplement. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be (1) issued or endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or by a credit rating agency which is certified under the EU CRA Regulation and/or (2) issued or endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or by a credit rating agency which is certified under the UK CRA Regulation, will be disclosed in the relevant Pricing Supplement. In general, European Union (“EU”) regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA which is certified under the EU CRA Regulation. In general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the UK and registered under the UK CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) the rating is provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation. A rating is not a recommendation to buy, sell or hold Notes and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

IMPORTANT – EEA RETAIL INVESTORS

If the Pricing Supplement in respect of any Notes includes a legend entitled “*Prohibition of Sales to EEA Retail Investors*”, the Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**EU MiFID II**”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**EU PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS

If the Pricing Supplement in respect of any Notes includes a legend entitled “*Prohibition of Sales to UK Retail Investors*”, the Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is either one (or both) of the following: (i)

not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the POATRs. Consequently, no disclosure document required by the FCA Product Disclosure Sourcebook (“**DISC**”) for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

EU MiFID II PRODUCT GOVERNANCE AND TARGET MARKET

The Pricing Supplement in respect of any Notes may include a legend entitled “*EU MiFID II product governance*” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the “**EU MiFID Product Governance Rules**”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the EU MiFID Product Governance Rules.

UK MiFIR PRODUCT GOVERNANCE / TARGET MARKET

The Pricing Supplement in respect of any Notes may include a legend entitled “*UK MiFIR Product Governance*” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

SUITABILITY OF INVESTMENT

The Notes may not be a suitable investment for all investors

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must make its own assessment as to the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial or other professional advisers, whether it:

- (a) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in these Listing Particulars or any applicable supplement;
- (b) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- (c) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor’s currency;
- (d) understands thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets;

- (e) is able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks;
- (f) understands the accounting, legal, regulatory and tax implications of a purchase, holding and disposal of an interest in the Notes; and
- (g) is subject to legal investment laws and regulations, or review or regulation by certain authorities.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers and/or any other adviser that such investor considers appropriate to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

In these Listing Particulars, unless otherwise specified, references to a “**Member State**” are references to a Member State of the EEA, references to a “**Relevant Member State**” are references to a Member State to which the Prospectus Regulation applies, references to the “**US**” are to the United States of America, references to “**U.S.\$**”, “**U.S. dollars**” or “**dollars**” are to United States dollars, references to “**Euro**”, “**euro**” or “**€**” are to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty on the functioning of the EU, as amended, references to “**£**” or “**sterling**” are to the lawful currency for the time being of the UK, and references to the “**Group**” are references to the Guarantor, its predecessors and its consolidated subsidiaries. Unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

Certain figures included in these Listing Particulars have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

STABILISATION

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s) in the applicable pricing supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

UK BENCHMARKS REGULATION

Interest and/or other amounts payable under Floating Rate Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 as it forms part of domestic law of the UK by virtue of the EUWA (the “**UK Benchmarks Regulation**”). If any such reference rate does constitute such a benchmark, the relevant Pricing Supplement will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by the FCA pursuant to Article 36 of the UK Benchmarks Regulation. Not every reference rate will fall within the scope of the UK Benchmarks Regulation. The registration status of any administrator under the UK Benchmarks Regulation is a matter of public record and, save where required by applicable law, the Issuers do not intend to update the relevant Pricing Supplement to reflect any change in the registration status of the administrator.

NOTIFICATION UNDER SECTION 309B(1) OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE (AS MODIFIED OR AMENDED FROM TIME TO TIME, THE “SFA”)

The Pricing Supplement in respect of any Notes may include a legend entitled “**Singapore Securities and Futures Act Product Classification**” which will state the product classification of the Notes pursuant to Section 309B(1) of the Securities and Futures Act 2001 of Singapore (as modified or amended from time to time, the “SFA”). If applicable, the relevant Issuer will make a determination and provide the appropriate written notification to “relevant persons” in relation to each issue about the classification of the Notes being offered for the purposes of Section 309B(1)(a) and Section 309B(1)(c) of the SFA. Any such legend included on the relevant Pricing Supplement will constitute notice to “relevant persons” for the purposes of section 309B(1)(c) of the SFA.

DESCRIPTION OF THE PROGRAMME

This description of the Programme must be read as an introduction to these Listing Particulars, and any decision to invest in the Notes should be based on a consideration of the Listing Particulars as a whole, including all documents incorporated by reference.

Words and expressions defined in the “*Terms and Conditions of the Notes*” below or elsewhere in these Listing Particulars have the same meanings in this description.

Issuer:	Pearson Funding plc Pearson Funding LLC
Guarantor:	Pearson plc
Risk Factors:	Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuers to fulfil their respective obligations under the Notes and the Guarantor to fulfil its obligations under the Guarantee are discussed under “ <i>Risk Factors</i> ” below and include, without limitation, risks related to the Notes and risks related to the Issuers, the Guarantor and the Group (as described under “ <i>Risks related to the Group’s business</i> ”) generally.
Arranger:	Barclays Bank PLC
Dealers:	Barclays Bank PLC, HSBC Bank plc, Merrill Lynch International and any other Dealer appointed from time to time by the Issuers either generally in respect of the Programme or in relation to a particular Tranche of Notes.
Trustee:	The Law Debenture Trust Corporation p.l.c.
Principal Paying Agent:	The Bank of New York Mellon, London Branch
Registrar and Transfer Agent:	The Bank of New York Mellon SA/NV, Dublin Branch
Pricing Supplement:	Notes issued under the Programme may be issued pursuant to these Listing Particulars and the associated Pricing Supplement (see “ <i>Pricing Supplements and Supplementary Listing Particulars</i> ”).
Listing and Trading:	Application has been made to the London Stock Exchange for Notes to be admitted within the period of 12 months after the date hereof to be admitted to trading on the ISM.
Clearing Systems:	Euroclear Bank SA/NV (“ Euroclear ”) and/or Clearstream Banking S.A. (“ Clearstream ”), each as defined under “ <i>Forms of the Notes</i> ” below, and/or, in relation to any Tranche of Notes, any other clearing system as may be specified in the relevant Pricing Supplement.
Initial Programme Amount:	Up to £3,000,000,000 (or its equivalent in other currencies) aggregate principal amount of Notes outstanding at any one time. The Issuers and the Guarantor may increase the amount of the Programme at any time, subject to compliance with the relevant provisions of the Dealer Agreement as defined under “ <i>Subscription and Sale</i> ”.
Issuance in Series:	Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date, issue price and the amount of the first payment of interest may be different in respect of different Tranches.

Forms of Notes:

Notes may be issued in bearer form or registered form, as specified in the relevant Pricing Supplement. Bearer Notes (as defined below) will not be exchangeable for Registered Notes (as defined below) and Registered Notes will not be exchangeable for Bearer Notes. No single Series or Tranche may comprise both Bearer Notes and Registered Notes.

Each Tranche of Bearer Notes will initially be in the form of either a Temporary Global Note or a Permanent Global Note, in each case as specified in the relevant Pricing Supplement. Each Global Note which is not intended to be issued in new global note form (a “**Classic Global Note**” or “**CGN**”), as specified in the relevant Pricing Supplement, will be deposited on or around the relevant issue date with a depository or a common depository for Euroclear and/or Clearstream and/or any other relevant clearing system and each Global Note which is intended to be issued in new global note form (a “**New Global Note**” or “**NGN**”), as specified in the relevant Pricing Supplement, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Pricing Supplement, for Definitive Notes. If the TEFRA D Rules are specified in the relevant Pricing Supplement as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons.

Each Tranche of Registered Notes will be represented by a Global Registered Note Certificate which may be exchangeable for Individual Note Certificates as specified in the relevant Pricing Supplement. Each Tranche of Notes represented by a Global Registered Note Certificate which is not intended to be held under the new safekeeping structure (“**New Safekeeping Structure**”), as specified in the relevant Pricing Supplement, will be registered in the name of a common depository (or its nominee) for Euroclear and/or Clearstream and/or any other relevant clearing system and the relevant Global Registered Note Certificate will be deposited on or about the issue date with the common depository. Each Global Registered Note Certificate intended to be held under the New Safekeeping Structure, as specified in the relevant Pricing Supplement, will be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream and/or any other relevant clearing system and the relevant Global Registered Note Certificate will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream.

Currencies:

Notes may be denominated in any currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Status of the Notes:

Notes will be issued on an unsubordinated basis and will constitute direct, general, unsubordinated and unconditional obligations of the relevant Issuer, as described in “*Terms and Conditions of the Notes – Status of the Notes and Guarantee.*”

Status of the Guarantee:	The Guarantee given by the Guarantor in the Trust Deed will constitute unsecured and unsubordinated obligations of the Guarantor, as described in “ <i>Terms and Conditions of the Notes – Status of the Notes and Guarantee.</i> ”
Issue Price:	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.
Maturities:	Such maturity as may be agreed between the relevant Issuer and the relevant Dealer(s), subject to such minimum or maximum maturities as may be allowed or required from time to time by the Bank of England (or equivalent body) or any laws or regulations applicable to the relevant Issuer or the relevant currency. Any Notes having a maturity of less than one year must (a) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses or (b) be issued in other circumstances which do not constitute a contravention of section 19 of the FSMA by the relevant Issuer.
Redemption:	Notes may be redeemable at par or at such other redemption amount (detailed in a formula, index or otherwise) as may be specified in the relevant Pricing Supplement.
Optional Redemption:	Notes may be redeemed before their stated maturity at the option of the relevant Issuer (either in whole or in part) and/or at the option of the Noteholders to the extent (if at all) specified in the relevant Pricing Supplement.
Change of Control Redemption:	Notes may be redeemed before their stated maturity to the extent (if at all) specified in the relevant Pricing Supplement following the occurrence of a Change of Control Triggering Event (as defined in the Conditions).
Tax Redemption:	Except as described in “ <i>Optional Redemption</i> ” above, early redemption will only be permitted for tax reasons as described in Condition 9(b) (<i>Redemption and Purchase – Redemption for tax reasons</i>).
Acquisition Event Redemption:	Notes may be redeemed before their stated maturity at the option of the relevant Issuer to the extent (if at all) specified in the relevant Pricing Supplement following the occurrence of an Acquisition Event (as defined in the Conditions).
Interest:	Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.
Denominations:	Notes will be issued in such denominations as may be specified in the relevant Pricing Supplement, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements, save that, in the case of any Notes which are to be admitted to trading on a regulated market within the EEA or offered to the public in a Member State of the EEA in circumstances which require the publication of a prospectus under

the Prospectus Regulation, the minimum denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes).

Notes may be issued under the Programme in minimum Specified Denominations and integral multiples in excess thereof of another smaller amount.

- Negative Pledge:** The Notes will have the benefit of a negative pledge as further described in Condition 5 (*Negative Pledge*).
- Cross Default:** The Notes will have the benefit of a cross default provision as further described in Condition 12(d) (*Events of Default*).
- Taxation:** All payments in respect of Notes will be made free and clear of withholding taxes of the Relevant Jurisdiction(s) (as defined in the Conditions), unless the withholding is required by law. In that event, the relevant Issuer and/or the Guarantor, as the case may be, will (subject as provided in Condition 11 (*Taxation*)) pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding been required.
- Governing Law:** The Notes, the Agency Agreement and the Trust Deed, and any non-contractual obligations arising out of or in connection with the Notes, the Agency Agreement and the Trust Deed, are governed by, and construed in accordance with, English law.
- Ratings:** Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the relevant Pricing Supplement and will not necessarily be the same as the ratings assigned to the Programme.
- A rating is not a recommendation to buy, hold or sell securities and may be subject to suspension, or withdrawal at any time.
- Selling Restrictions:** For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the EEA (including Belgium), the UK, Japan and Singapore, see “*Subscription and Sale*” below.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

These Listing Particulars contain certain forward-looking statements about the Issuers and the Guarantor. Forward looking statements include statements concerning the Issuers' and the Guarantor's plans, objectives, goals, strategies, future operations and performance and the assumptions underlying these forward looking statements. The Issuers and the Guarantor believe such forward-looking statements, identified by words such as 'anticipates', 'believes', 'expects', 'predicts', 'continues', 'assumes', 'should', 'intends', 'may', 'will', or 'should' or in each case their negative, or other variations or comparable terminology are based on reasonable assumptions. However, forward-looking statements involve inherent risks and uncertainties such as those summarised below, and may be influenced by factors beyond the Issuers' and the Guarantor's control and/or may have actual outcomes materially different from the Issuers' and the Guarantor's expectations. Important factors that could cause the Issuers' and the Guarantor's actual results, performance or achievements to differ materially from those in the forward-looking statements include, among other factors described in these Listing Particulars:

- the Issuers' and/or the Guarantor's ability to integrate any future expansion of their business;
- the Issuers' and/or the Guarantor's ability to realise the benefits they expect from existing and future investments in their existing operations and further expansion and development projects;
- the Issuers' and/or the Guarantor's ability to obtain external financing or maintain sufficient capital to fund their existing and future operations;
- changes in political, social, legal or economic conditions in the markets in which the Issuers, the Guarantor and/or their customers operate;
- changes in the competitive environment in which the Issuers, Guarantor and/or their customers operate;
- failure to comply with regulations applicable to the Issuers' and/or the Guarantor's business; and
- fluctuations in the currency exchange rates in the markets in which the Issuers and/or the Guarantor operate.

Additional factors that could cause the Issuers' and the Guarantor's actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "*Risk Factors*", "*Description of Pearson Funding plc*", "*Description of Pearson Funding LLC*" and "*Description of the Guarantor*" and other sections of these Listing Particulars. The Issuers and Guarantor have based these forward-looking statements on the current view of their management with respect to future events and financial performance. There can be no assurance that the results and events contemplated by the forward-looking statements contained in these Listing Particulars will, in fact, occur. These forward-looking statements speak only as at the date of these Listing Particulars. The Issuers and the Guarantor will not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of these Listing Particulars except as required by law or by any appropriate regulatory authority.

RISK FACTORS

Each of the Issuers and the Guarantor believe that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuers or the Guarantor to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuers or the Guarantor based on the information currently available to them or which they may not currently be able to anticipate and neither the Issuers nor the Guarantor represent that the statements below regarding the risks of holding any Notes are exhaustive.

In purchasing Notes, investors assume the risk that the Issuers and the Guarantor may become insolvent or otherwise be unable to make all payments due in respect of the Notes or under the Guarantee. There is a wide range of factors which individually or together could result in the Issuers and the Guarantor becoming unable to make all payments due.

Each of the Issuers and the Guarantor have identified in these Listing Particulars a number of factors which could materially adversely affect their businesses and ability to make payments due. In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Prospective investors should also read the detailed information set out elsewhere in, or incorporated by reference in, these Listing Particulars and the relevant Pricing Supplement and reach their own views prior to making any investment decision.

Words and expressions defined in the “*Terms and Conditions of the Notes*” below or elsewhere in these Listing Particulars have the same meanings in this section.

RISKS RELATED TO THE GROUP’S BUSINESS

Changes in government policy and/or regulations have the potential to affect the Group’s business model and/or decisions across all markets.

The Group’s educational services, assessment and qualifications businesses may be affected by shifts in government funding and regulation in any or all of the markets in which the Group operates due to external factors beyond its control, including general economic or fiscal conditions, changes in education funding, policy decisions, legislation or procurement processes. In particular, the Group is subject to the risk of potential amendments to, or suspensions or cancellations of, high-stakes testing in a particular market, which could affect the Group’s assessments businesses, including but not limited to the Group’s “Pearson Test of English” or “UK & International Qualifications” businesses. For example, the UK government has proposed the introduction of “V Levels”, in addition to “T Levels”, as a new vocational qualification pathway, which could negatively impact the Group’s UK qualifications business and therefore the Group’s financial results. Changes in policy or funding could also result in the loss of schools and/or a decrease in the number of students engaged in the Group’s “Virtual Learning” business.

Typically, each year a large number of the Group’s contracts are up for renewal, including within the Group’s “US Student Assessment” business. The Group’s financial plan assumes successful renewal of these contracts or, if any of these contracts are not renewed (as has occurred in the past and may occur in future), the replacement of that loss through the winning of new business. The loss of any of these contracts, whether or not as a result of changes in policy or processes described above, would lead to lower sales and profits in the future unless replaced by commensurate new contract wins, which could have a material impact on the financial prospects of the Group.

The performance and growth of the Group’s US educational services and assessment businesses rely on federal and state education funding, which depends on state financial health and budget allocations for education. Pressures on state and local funding, competition from low-cost or disruptive new business models, and the promotion of open-source materials to cut costs could adversely impact the Group’s sales. Additionally, changes in federal or state government leadership, education policy priorities, state-level testing frameworks, or education policies may alter funding priorities and potentially decrease efficiencies, while shifts in procurement processes, curriculum changes, and delays in textbook adoptions or testing procedures may also affect the size of the market.

Any of these factors could negatively impact the Group’s financial results and growth prospects in the US education sector.

Increased competitive pressure, reduced demand due to changing learning preferences, structural market headwinds due to demographic decline, and limits on international study, may adversely impact the Group's financial performance.

The Group competes in a highly competitive market that is subject to rapid change in some areas. The Group also faces competitive threats both from large media players and from smaller businesses, online and mobile portals and operators in the digital arena that provide alternative sources of content. The content space continues to face the risk of price compression, driven by the growing prevalence of open educational resources, particularly those enhanced by large language models and generative artificial intelligence (“AI”) technologies. Alternative distribution channels, such as digital formats, the internet, online retailers, and emerging delivery platforms, pose both threats to and opportunities for traditional publishing business models, potentially impacting both sales volumes and pricing in the market and ultimately for the Group.

In addition, new competitive entrants, increased price competition or shifts in learners away from educational institutions (as seen in certain prior years in reduced higher education enrolments), as well as demographic decline and limits on international study, may lead to lower profitability and cash flow performance. The level of competition is placing financial strain on some of the Group's “Higher Education” businesses’ channel partners; the failure of one of these companies would risk the loss of any outstanding debtor balances.

In the Group's “Virtual Learning” business, the Group has seen strong enrolment growth for the 2025/2026 academic year as well as operational improvements and has expanded academic offerings including career programming. Notwithstanding the above, there is no guarantee that these measures will be sufficient in the future to prevent loss of sales and profit in any of those businesses, which could negatively impact the Group's financial performance and prospects.

Global economic strains, increased regulation, policies negatively impacting immigration and other macro market factors may adversely impact the Group's financial performance.

With continued pressure and uncertainty in worldwide economies, particularly in the Group's major markets in the US and UK, there is a risk of a weakening in trading conditions, which could adversely impact the Group's future financial performance. The effect of any deterioration in the global economy may vary across different businesses and will depend on the depth, length and severity of any economic downturn. The education market can be affected by cyclical factors which, although they can have a positive impact for some of the Group's businesses, could for others lead to a reduction in demand for the Group's products and services. Similarly, the Group's “Pearson Test of English” product may experience a reduction in demand due to the impact of increased regulations and policies that result in decreased levels of international study, testing, and immigration.

Operational disruption to its business, including that caused by third-party providers and partners, a major disaster, and/or external threats, could restrict the Group's ability to supply products and services to its customers.

Across all its businesses, the Group manages complex operational and logistical arrangements including, but not limited to, distribution centres, data centres, cloud computing, and educational and office facilities, as well as relationships with third-party print sites and with other third-party partners. It has outsourced some support functions, including elements of information technology, warehousing and logistics, to third-party providers, and it has also partnered with third parties including in relation to joint go-to-market models and other areas of work.

The failure of the partnerships, or of third parties to whom it has outsourced business functions or who manage directly or indirectly the Group's information and operations, could adversely affect its reputation or financial condition. Failure to recover from a major disaster, (e.g. fire, flood, etc.) at a key facility and/or a major failure of a key facility, system or platform, such as a data centre outage or cloud computing failure or the disruption of supply from a key third-party vendor or partner (e.g. due to bankruptcy) could restrict the Group's ability to service its customers and meet the terms of its contractual relationships with both government agencies and commercial customers. Penalty clauses and/or the failure to retain these contracts at the end of the contract term could adversely impact future sales and/or operations.

All the Group's businesses depend on IT systems and continual technological change. Failure to maintain and support customer-facing services, systems, and platforms, including addressing quality

issues and execution on time of new products and enhancements, could negatively impact the Group's sales and reputation.

All the Group's businesses, to a greater or lesser extent, are dependent on IT. The Group either provides software and/or internet services to its customers or uses complex IT systems and products to support its business activities, including customer-facing systems, back-office processing and infrastructure. The Group faces several technological risks associated with software product development (including risks associated with the use of AI in the Group's products and services) and service delivery, information technology security (including viruses and cyber-attacks), e-commerce, enterprise resource planning system implementation and upgrades. Although plans and procedures are in place to continue to reduce and manage such risks, as well as training and security measures, with further progress made during 2025 in this area, from time to time the Group has experienced and could in future experience an adverse impact or disruption to the Group services, including by attacks on its systems by unauthorised parties. To date, such impacts and disruptions have not resulted in any material adverse effect, but the Group's businesses could be adversely affected if its systems and infrastructure experience a significant failure or interruption.

Failure to use the Group's data effectively to enhance the quality and scope of current products and services in order to improve learning outcomes could adversely affect the Group's business.

The Group seeks to maximise the use of data to enhance the quality and scope of current products and services to improve learning outcomes while managing associated risks. The Group's ability to continue to do so may be subject to factors beyond the Group's control. In addition, the lack of availability of timely, complete, and accurate data limits informed decision-making and increases the risk of non-compliance with legal, regulatory, and reporting requirements. Business change and transformation success is dependent on migration of a significant number of datasets and the Group's inability to effectively accomplish this could adversely affect the Group's results.

Failure to meet the Group's customers' rapidly changing expectations for the Group's products and services or to anticipate new customer demands could result in reduced market share and profitability, as well as brand erosion.

The Group continues to adjust its business model in an effort to keep pace with increasing end user demands. The Group may not be able to adapt, change and succeed in a rapidly changing and uncertain environment, resulting in competitive disadvantage, higher costs and brand erosion. This could result from failing to identify changes in learner preferences or from failing to create products and services which meet these revised expectations.

With the launch of new products, the Group risks failing to meet customer experience expectations, which increasingly vary from country to country, with respect to how the products and services are delivered e.g. quality and timeliness, impacting the customer's brand loyalty and propensity to purchase, resulting in customer complaints, less favourable social media sentiment, bad reviews, low recommendations, and/or customer attrition.

There is also the risk that the Group's technology and data dependent products and services do not meet the accessibility requirements of customers and prospective customers, which could result in increased costs, restrictions, fines and/or legal claims.

The Group's investment in new markets may deliver returns that are lower than anticipated.

The Group has invested in, and has plans to continue to invest in, new markets such as workforce and enterprise learning experiences, in which the Group has less experience, and which are very competitive markets. Failure to achieve the Group's planned outcomes may lead to lower than expected sales and profitability.

If the Group fails to successfully invest in and deliver the right products and services or fails to respond to government concerns and/or competitive threats, its sales and profits could be adversely impacted.

A common trend facing all the Group's businesses is the digitisation of content and the proliferation of distribution channels, either over the internet or via other electronic means, replacing traditional print formats. The digital migration has led to changes in consumers' perception of value and the publisher's position between consumers, retailers, and authors, and has required the Group to make changes in its product and content distribution.

A proliferation of available supply routes for content, in addition to buying or subscribing to the Group's content, means that the Group may not fully realise a return for its investment in developing and distributing this content. Alternatives such as second-hand and rental copies, open educational resources, online discounters, file sharing and use of pirated copies all offer either lower or no financial returns to the Group and may reduce demand for the Group's products or place downward pressure on pricing.

Where the purchaser is a school or institution, they will typically use educational funding to purchase the Group's materials or assessments. However, there are multiple competing demands for educational funds and there is no guarantee that new courseware or testing or training programmes will be funded, or that the Group will win or retain this business.

If the Group does not adapt rapidly to such and other market trends, it may lose business to faster moving or more agile competitors, who increasingly are non-traditional competitors that may be more difficult to identify or anticipate. The Group may be required to invest significant resources to further adapt to the changing competitive environment, which requires continued development of both content and methods of delivery to be able to provide differentiated products and services and may result in competitive disadvantage and missed opportunity for sales and growth if such investments are not successful or do not generate an adequate return.

An example of this is where the Group's products and services may potentially face competition from those developed by non-traditional competitors using advanced generative AI tools. Generative AI tools may enable the rapid creation and distribution of content at lower cost and could disrupt the markets in which the Group operates. If the Group does not successfully adapt to these technological developments, including through appropriate investment and integration into its offerings, its businesses, financial results, and competitive position could be adversely affected.

Failure to comply with antitrust and competition legislation and/or legal or regulatory proceedings could result in substantial financial cost and/or adversely impact the Group's reputation.

The Group is subject to global and local antitrust and competition law. Although the Group has policies in place and is committed to conducting business in compliance with local and international laws, there is a risk that management, employees or representatives may act in a way that violates applicable antitrust or competition laws. Further, the Group and its subsidiaries have been, and may in the future be, subject to legal and regulatory investigation and proceedings in the countries in which the Group operates. These proceedings could result in greater scrutiny of the Group's operations in other countries for anti-competitive behaviour and, in the worst case, result in substantial financial penalties. Any such circumstances could also have an adverse impact on the Group's reputation.

The Group could face additional cost and diversion of personnel (i) to meet any new regulation or law applicable to its use of AI in its products and services and/or (ii) to protect any of its intellectual property developed using AI.

The Group has a history of utilising AI in its products and services, and incorporation is expected only to increase as AI technologies (including generative AI) continue to develop. The Group's ability to do this successfully depends in part on the openness of the public to the use of AI in the learning sector. If the content that AI applications assist the Group in producing is, or is perceived or alleged to be, deficient or inaccurate, the Group's reputation may be adversely affected, and/or the effectiveness of the Group's products may be undermined.

In 2025, the Group progressed the development of AI features in many products, for example, the implementation of AI for personalised lessons, as exemplified by "Digital Language Tutor" and "AI Study Tools". Although these developments have shown encouraging signs, an inability to sustain positive momentum would result in lower sales and profit than anticipated. In addition, if the Group's competitors incorporate AI into their products more quickly or more successfully than the Group does, the Group's ability to compete effectively could be impaired.

The increasing interest in AI by governments and regulators around the world and the different approaches they are taking continue to bring a level of regulatory uncertainty which may increase costs and liabilities in a manner that is beyond the Group's control and could result in conflicting legal requirements, potentially further increasing costs and/or adversely impacting the Group's ability to operate.

In addition, there remains uncertainty and potential inconsistency regarding legal protections that are afforded to the Group's intellectual property developed (in whole or in part) with the use of AI (or software including any AI), as laws and regulations evolve and develop.

If the Group does not adequately protect its intellectual property and proprietary rights, its competitive position and results may be adversely affected and its ability to grow restricted.

Some of the Group's products and services comprise intellectual property delivered through a variety of print and digital media, online software applications and platforms. The Group relies on trademark, patent, copyright and other intellectual property laws to establish and protect its proprietary rights in these products and services. As discussed in the risk factor above headed "*The Group could face additional cost and diversion of personnel (i) to meet any new regulation or law applicable to its use of AI in its products and services and/or (ii) to protect any of its intellectual property developed using AI.*", the evolving legal and regulatory framework relating to AI, and questions as to the applicability and interpretation of existing intellectual property laws in this context, continue to create uncertainty. The Group also faces uncertainty regarding its ability to adequately protect its content from its unauthorised use in training large language models and other AI models, including those underlying generative AI tools.

Failure, or an inability, to adequately manage, procure, register or protect intellectual property rights (including trademarks, patents, trade secrets and copyright) in the Group's brands, content and technology, may prevent the Group from enforcing its rights and increase the risk of infringement by third parties, including through print and digital counterfeiting and digital piracy, which could reduce sales and erode margins.

The Group's intellectual property rights ("**IPR**") in brands and content, historically its core assets, are generally well established in key markets. As technology and digital delivery of content have become an increasingly critical component of the Group's business strategy, the Group has grown its patent portfolio to expand its protection of high-value technology in the US and key international markets.

Online copying and circumvention of security measures have become increasingly sophisticated and difficult to prevent. Technological advancements have made the unauthorised copying and widespread distribution of unlicensed content more accessible and scalable, including through the use of generative AI. At the same time, detecting unauthorised use of the Group's intellectual property and enforcing the Group's IPR has become more difficult due to the growing volume, speed, and technical sophistication of such activities. Notably, in recent years "digital counterfeit" websites have offered or attempted to offer unprotected PDF files of many of the Group's titles, at scale, using modern and sophisticated e-commerce methods, with a professional or legitimate appearance. Additionally, such websites may have acted as potential sources of data for large language models. From an IPR perspective, increasing the Group's digital business continues to expose it to evolving trademark, copyright and patent infringement risks.

The Group's forward-looking IPR strategy seeks to maintain a broad portfolio of IPR in key markets. However, the Group also operates in jurisdictions where its IPR efforts are more limited or legal protections are uncertain, which could adversely affect future growth.

Where the Group has registered or otherwise established its IPR, it cannot guarantee that such rights will provide competitive advantages due to the challenges and costs of monitoring and enforcement in jurisdictions where competition may be intense; the limited and/or ineffective IPR protection and enforcement mechanisms available to it in many countries; the risk that its IPR may lapse, be invalidated, circumvented, challenged, or abandoned, or that the Group may otherwise lose the ability to assert such rights against third parties. The loss or diminution in value of these proprietary rights or the Group's intellectual property could have a material adverse effect on the Group's business and financial performance.

A control breakdown or service failure in the Group's testing businesses could result in financial loss and reputational damage.

The Group's testing businesses, including those in "Assessment & Qualifications", "Enterprise Learning & Skills" and "English Language Learning", involve complex contractual relationships with both government agencies and commercial customers for the provision of various testing services. The Group's financial results, growth prospects and/or reputation may be adversely affected if these contracts and relationships are poorly managed.

There are inherent risks associated with the Group's testing businesses, both in the US and the UK. A service failure caused by a breakdown in testing and assessment processes could lead to a mis-grading of student tests and/or late delivery of test results to students and their schools. The failure to meet expected service standards and/or a late or erroneous delivery of qualification results have in the past and/or could in the future leave the Group subject to regulatory sanctions (including fines), legal claims, penalty charges under contracts, non-renewal of contracts and/or suspension or withdrawal of its accreditation to conduct tests. It is possible that any such events described above would result in adverse publicity, which may affect the Group's ability to retain existing contracts and/or obtain new customers.

The Group has businesses in a variety of geographies globally and is subject to numerous different regulatory regimes and uncertain international environments and regulatory changes which could impact the Group's operations and financial condition.

The Group operates in numerous countries worldwide. In some jurisdictions, the Group faces risks related to government restrictions on market access for non-local companies and limitations on profit repatriation. Operating across multiple geographies also exposes the Group to regulatory hurdles and tariffs including in respect of trade tensions, changes to foreign trade policies, and evolving negative sentiment towards multinational companies in a challenging international political environment. The Group has a central compliance team and a network of local compliance representatives within the Group's legal function to ensure that the Group meets its obligations. However, the Group is subject to evolving laws, international accords and policies, and changes in their interpretation or application, including in respect of environmental sustainability, human capital and governance topics.

Political, regulatory, economic and currency risks, along with the risk of compliance failures (e.g. fraud, sanctions, bribery), or conflicting legislation or regulation across countries and states, including its interpretation or application, have in the past and could in the future affect the realisation or the results of the Group's objectives, or could reduce investment returns and impact the Group's ability to reinvest or distribute profits.

Sanctions against specific countries or entities may require the Group to exit certain markets. Regulatory investigations related to sanctions have in the past and could in the future be costly, consume management resources, harm the Group's reputation, and lead to legal and financial consequences. The Group has in the past and could in the future face scrutiny from stakeholders, including from multiple domestic or international governmental authorities who may have different or conflicting views on the Group's business practices and activities, which could lead to fines or other costs, reputational damage, legal issues, enforcement actions or operational changes and which could therefore have an adverse effect on the Group's business, operations and financial condition.

The Group's failure to generate anticipated sales growth, synergies and/or cost savings from acquisitions, mergers and other business combinations, could lead to goodwill and intangible asset impairments.

The Group periodically acquires and disposes of businesses to achieve its strategic objectives, and will continue to consider both as a means to pursue its strategic priorities. In 2025, the Group announced the acquisition of eDynamic Learning, a leading Career and Technical Education (CTE) curriculum solutions provider, enabling the Group to broaden capabilities and scale the Group's position in the fast-growing "Early Careers" space. However, acquisitions may involve significant risks and uncertainties, including difficulties in integrating acquired businesses to realise anticipated sales growth, synergies and/or cost savings; diversion of management attention from other business concerns or resources; and diversion of resources that are needed in other parts of the Group's business. If these risks are not managed, acquisitions could result in goodwill and intangible asset impairments or detriment to the Group's existing businesses.

Divestitures also involve risks and uncertainties that could adversely affect the Group's business, results of operations and financial condition including, among others, the inability to find potential buyers on favourable terms, disruption to the Group's business and/or diversion of management attention from other business concerns, loss of key employees, and possible retention of certain liabilities related to the divested business.

Security breaches involving the Group's information technology ("IT") systems could harm the Group's ability to run its business and expose the Group to potential liability and loss of sales.

While the Group believes the monitoring and security measures it has in place are robust, the Group still faces some risks from malicious attacks on its systems including cyber security incidents that may result from evolving threat vectors and attack techniques. These attacks have, in the past led, and could in the future, lead to temporary loss of system availability or breaches of sensitive information. For example, a number of companies have experienced high-profile data breaches and incidents of fraud perpetrated through the use of deep fakes and other social engineering techniques. Such incidents have previously impacted the Group's customer experience and the Group's reputation and could result in financial loss. Despite the controls and processes in place, unauthorised disclosures of personal information have occurred and may happen again, including due to software malfunctions affecting IT controls or vulnerabilities introduced through third-party systems or service providers.

Information security and cyber risk are constantly evolving, influenced by factors such as increasing customer demand for strong security, compliance requirements, the digital revolution, greater use of the cloud, larger data volumes, and more sophisticated attack strategies, which may include the use of generative AI in an effort to defeat security measures. The Group manages large volumes of personal data, including that of employees, customers, students, and citizens, as well as other sensitive business-critical data such as financial information and intellectual property. Despite the Group's security measures, threat actors, including individuals, criminal organisations and state-sponsored operatives, have occasionally gained unauthorised access to the Group's data and may do so in the future, including through incidents affecting third-party vendors or cloud service providers.

Any perceived or actual unauthorised disclosure of personal data or confidential information, whether through a breach of the Group's network, a third-party partner, unauthorised access, employee theft, misuse, or error, could harm the Group's reputation, affect its ability to attract and retain customers, disrupt business operations, or lead to regulatory investigations and/or claims or litigation. Additionally, the Group could incur significant costs in complying with relevant laws and regulations regarding the protection of personal data and confidential information, payments due to cyber extortion, remediation, notification, or responding to regulatory investigations.

Changes to data privacy legislation must also be monitored and acted upon to ensure the Group remains in compliance across different markets, many of which are taking increasingly divergent approaches to the protection of personal information in the age of AI. This will require the Group to adapt further to accommodate jurisdictional variations, including by developing our products in a more flexible way to meet such requirements, which may result in additional cost and/or investments.

Countries in which the Group operates or serves customers continue to adopt data protection legislation, with enforcement increasingly emphasising transparency and customer choice. This includes requirements relating to AI-driven personalised services and data breach management, reflecting customers' growing awareness of, and sophistication regarding, data protection.

Failure to provide the appropriate level of transparency and control in the Group's products could increase the regulatory, commercial and/or reputational risks that the Group faces with any or all of its various stakeholders.

A significant deterioration in the Group's profitability and/or cash flows caused by prolonged economic instability or recession could reduce its liquidity and/or impair its financial ratios, and trigger a need to raise additional funds from the capital markets and/or renegotiate its banking covenants.

To the extent that worldwide economic conditions materially deteriorate, the Group's sales, profitability and cash flows could be significantly reduced as customers could be unable to purchase products and services in the expected quantities and/or pay for them within normal agreed terms.

Disruption in capital markets or potential concerns about the Group's credit rating, for instance manifested in downgrades or negative outlooks by the credit rating agencies, may mean that this capital may not be available on favourable terms or may not be available at all.

Geopolitical conflict and instability could adversely affect the Group's operations and financial performance.

The Group has staff and offices globally, which could be impacted by geopolitical conflicts, military actions, sanctions, blockades, or other geopolitical instability as a result of geopolitical issues. Some of the Group's operations and development activities are located in regions that may be subject to

heightened geopolitical risk, and any disruption to personnel, facilities, or infrastructure in such regions could adversely affect product development, innovation timelines, service quality, and business continuity, which in turn could negatively impact the Group's operations, sales, and financial performance.

High levels of global inflation could increase costs and adversely impact the Group's profits and financial performance.

High ongoing global inflation factors have increased and could further increase the cost of production for the Group, particularly through wage inflation. There is no guarantee that the Group would be able to continue to manage increased costs or generate sales successfully to mitigate the effects of inflation, which could lead to reduced earnings and ability to invest in future growth.

Business efficiency and transformation initiatives may adversely affect the Group's financial performance and ability to execute its strategy if not successfully implemented.

As part of its operating plan, the Group is undertaking a number of business efficiency and transformation initiatives over the medium to long term to support its strategic and growth objectives. The Group's financial performance and ability to fund future investment depend, in part, on the timely and effective execution of these initiatives and the realisation of anticipated benefits.

These initiatives are complex and may involve changes to business processes, systems, organisational structures, and cost bases, as well as upfront expenditures. There can be no assurance that the Group will implement these initiatives within expected timeframes or achieve the anticipated efficiencies, cost savings, or performance improvements. Delays, execution challenges, or unanticipated costs could adversely affect the Group's financial performance and its ability to execute its strategic plans.

The Group's strategy involves significant ongoing change, including moving into new markets. This increases the risk of failure to realise anticipated benefits or of costs being higher than anticipated, or that the Group's business as usual activities are adversely impacted.

The Group's strategy aims, among other things, to achieve significant growth in markets in which the Group has less experience, including enterprise sales, and such anticipated growth may not be realised. The Group's financial plan assumes that the costs associated with such new market strategies will be successfully managed in all business units, but should this cost management not be successful, the Group is likely to report lower than anticipated profits.

If the Group is unable to successfully execute, scale, or derive the expected benefits from its large-scale strategic partnerships, including with major technology or platform providers, its ability to achieve its strategic and operational objectives could be adversely affected and its business, financial results, and growth prospects may be harmed.

The Group's success with these partnerships depends on a number of factors, including, but not limited to, the availability and retention of appropriately skilled personnel, the adequacy of its operational capacity, effective coordination across organisations, and the implementation of appropriate governance and oversight frameworks. These partnerships are often complex, involve significant integration efforts, and may require the Group to align its product development, go-to-market strategies, and operational processes with those of its partners.

In addition, the Group has limited control over its partners' business decisions, strategic priorities, resource allocation and technology roadmaps. Changes in a partner's strategy, commercial terms, technical requirements or level of support, or a partner's failure to prioritise or continue its relationship with the Group, could delay or limit the Group's ability to achieve key milestones, including revenue growth and commercialisation objectives. These partners may also enter into or maintain relationships with the Group's competitors. If the Group is unable to effectively manage these risks or successfully execute these partnerships at scale, its financial performance could be adversely affected.

The Group's ability to safeguard data while meeting increasing customer requirements for transparency regarding data use and protection could adversely affect its business and operations.

Safeguarding data, including customer and other sensitive information, is critical to the Group's business. At the same time, customers are increasingly requiring more detailed information regarding the Group's data governance practices, including how data is collected, used, controlled, protected, and shared, as a condition to entering into or maintaining commercial relationships. Responding to these requests often

requires providing detailed information regarding the Group's data practices, which may involve operational complexity, additional compliance costs, and the allocation of significant management and technical resources.

In some cases, the level of transparency requested by customers may create tension between satisfying customer requirements and protecting the Group's confidential information, intellectual property, security protocols, and strategic business plans. If the Group is unable to meet customer requirements regarding data use and protection, or if meeting those requirements requires disclosures or controls that materially impair the protection of the Group's data, intellectual property, or business plans, the Group could lose customers, fail to secure new business, or incur increased compliance, operational or contractual costs. Any such outcome could adversely affect the Group's business, financial condition, results of operations, and growth prospects.

Risks associated with identity verification and related data collection could lead to claims or penalties.

The Group is often contractually required to take measures to validate the identity of learners, especially those completing assessments. In certain jurisdictions, companies, including the Group, have faced legal claims for the collection of or use of information obtained, particularly in relation to biometric information, which have resulted and could in the future result in settlements. The Group takes steps to comply with evolving legal requirements but there is no guarantee that its efforts will be sufficient to protect the Group from all potential issues, which could result in potential fines, penalties, judgments or settlements unfavourable to the Group, especially if not covered by the Group's insurance cover.

If the Group fails to attract, retain and develop appropriately skilled employees, it may limit its ability to achieve its strategic and operational goals and its business may be harmed.

The Group's success depends on the skill, experience and engagement of its employees. Their expertise has allowed the Group to demonstrate agility, notably in how the Group has been able to develop and deploy beta tests of products using large language models and AI tools. Training and development of staff is a focus area for managers throughout the organisation, but there is no guarantee that workers will continue to have the required skills prospectively.

The Group has a key dependency on the Chief Executive and certain other key employees. If it is unable to attract, retain and develop sufficiently experienced and capable staff, especially in technology, product development, sales and leadership, its business and financial results may suffer. When talented employees leave, the Group may have difficulty replacing those skills, and its business may suffer. There can be no assurance that the Group will be able to successfully attract and retain the skills that it needs.

Failure to adequately protect the health, safety and wellbeing of the Group's employees, learners and other stakeholders could adversely impact the Group's reputation, profitability, and future growth.

Although the Group has invested in global policies, procedures and controls to safeguard the health, safety and wellbeing of its employees, learners and other stakeholders, accidents or incidents have occurred and could still occur due to known or unforeseen risks, causing injury or harm to individuals and impacting the Group's business operations. This has the potential to lead to negative legal impact, including criminal and civil litigation, reputational impact and/or business disruption which in turn could lead to operational loss for, and reduction in the profitability of, the Group.

Failure to ensure security for the Group's staff, learners, and assets, due to increasing numbers of, and variety of, local and global threats, could impact the Group's operations, financial performance and reputation.

The Group is a global business with locations in diverse, sometimes high-risk, locations worldwide. Although it has protective measures in place to secure its staff, learners and assets, the Group could still be impacted by external threats, such as localised incidents, terrorist attacks, strikes or extreme weather. Future occurrences could cause harm to individuals and/or disrupt business operations. These have the potential to lead to operational loss, a reduction in profitability and impact on the Group's global reputation.

Failure to effectively manage risks associated with compliance with global and local anti-bribery and corruption (ABC) legislation could result in costly legal investigations and/or adversely impact the Group's reputation.

The Group is committed to an effective compliance programme in keeping with changing regulatory expectations, and it is also committed to conducting business in a legal and ethical manner in compliance with local and international statutory requirements and standards applicable to its business. Despite those commitments, there is a risk that the Group's management, employees or representatives may take actions that violate applicable laws and regulations, including those regarding accurate keeping of books and records or prohibiting the making of improper payments for the purposes of obtaining or keeping business, including laws such as the US Foreign Corrupt Practices Act, the UK Bribery Act, the UK Economic Crime and Corporate Transparency Act and other applicable anti-fraud legislation. Any regulatory inquiry or investigations could be costly, require a significant amount of management's time and attention, adversely impact the Group's reputation, or lead to litigation and financial impacts.

A lack of sufficient capital resources could adversely impact the Group's ability to operate.

Financial crises impact financial markets periodically, which could result in constrained capital markets, bank failures and loss of capital for the Group, or an inability to access debt capital markets as planned.

Sustainability risks may adversely impact the Group's business, if not managed appropriately.

The Group considers sustainability risks no differently to the way it manages any other business risk. Expectations around climate commitments and measurements change on a regular basis. A failure to comply with relevant standards, or other sustainability-related laws or regulations, whether in the UK or elsewhere, could adversely affect the Group's reputation and have a negative impact on its relations with employees, customers and/or business partners. Costs associated with climate-transition which cannot be fully managed by decarbonisation activities may lead to decreased margins.

The Group's business depends on a strong brand, and any failure to maintain, protect and enhance its brand would hurt its ability to retain or expand its business.

Protecting the Group's brands and reputation is critical to maintaining and expanding the Group's business and will depend largely on its ability to maintain its customers' trust in its solutions and in the quality and integrity of its products and services, including how it protects the data and privacy of customers and users. During 2025, the Group strengthened capabilities to support business growth by establishing a unified marketing organisation, enhancing both strategic alignment and operational efficiency. The Group must also navigate the increasing divergence of stakeholder perspectives in some of the Group's largest markets and ensure that the Group's brand continues to reflect shifting views on certain matters, while maintaining the Group's key values and objectives. Beyond protection, strengthening the Pearson brand will enable the Group to engage with governments, administrators, teachers, learners, and influencers more effectively. If the Group does not successfully maintain a strong brand, its business could be harmed.

RISKS RELATED TO THE STRUCTURE OF A PARTICULAR ISSUE OF NOTES

Notes subject to optional redemption by the Issuers

An optional redemption feature is likely to limit the market value of Notes. During any period where the relevant Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period.

The relevant Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At such times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Zero Coupon Notes

Zero coupon notes do not pay current interest but are issued at a discount from their nominal value. Instead of periodic interest payments, the difference between the redemption price and the issue price constitutes interest income until maturity and reflects the market interest rate. A holder of zero coupon notes is exposed to the risk that the price of such notes falls as a result of changes in the market interest rate. Prices of zero coupon notes are more volatile than prices of fixed rate notes and are likely to respond to a greater degree to market interest rate changes than interest bearing notes with a similar maturity.

Fixed/floating rate Notes

Fixed/floating rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate or from a floating rate to a fixed rate. Where the relevant Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the relevant Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the fixed/floating rate Notes may be less favourable than then prevailing spreads on comparable floating rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the relevant Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing market rates and could affect the market value of an investment in the relevant Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining terms of a security, the greater the price volatility as compared to a conventional interest-bearing security with comparable maturity. Such volatility could have a material adverse effect on the value of and return on any such Notes.

The Notes may be redeemed prior to maturity

In the event that the relevant Issuer (or, in certain cases, the Guarantor) would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Relevant Jurisdiction(s) (as defined in the Conditions) or any political subdivision thereof or any authority therein or thereof having power to tax, the relevant Issuer may redeem all outstanding Notes in accordance with the Conditions.

In addition, if in the case of any particular Tranche of Notes the relevant Pricing Supplement specify that the Notes are redeemable at the relevant Issuer's option in certain other circumstances such Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances, an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

The regulation and reform of benchmarks may adversely affect the value of Notes referencing such benchmarks

Benchmarks Regulation and Reform

Interest rates and indices which are deemed to be "benchmarks" (including the Euro Interbank Offered Rate ("EURIBOR"), the Sterling Over Night Indexed Average ("SONIA"), the Euro Short-Term Rate ("€STR") and the Secured Overnight Financing Rate ("SOFR")) have been subject to significant regulatory scrutiny, legislative intervention and proposals for reform in recent years. These relate not only to the creation and administration of benchmarks but also to the use of a benchmark rate. Many of the proposals for reform, which are aimed at supporting the transition to robust benchmarks, have now reached their planned conclusion (including the transition away from the London Inter-Bank Offered Rate (LIBOR)), and "benchmarks" remain subject to ongoing monitoring. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes referencing such a benchmark.

EU and UK Benchmarks Regulation

Regulation (EU) 2016/1011, as amended (the "EU Benchmarks Regulation") applies, subject to certain transitional provisions, to the provision of in-scope benchmarks, the contribution of input data to an in-scope benchmark and the use of an in-scope benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of in-scope benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). The UK Benchmarks Regulation, among other things, applies to the provision of, the contribution of input data to, and the use of a benchmark in the UK, subject to certain transitional provisions.

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a benchmark which is in-scope of one or both regulations, for example, if the methodology or other terms of the benchmark are changed in the future in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, or other similar legislation, or if a critical benchmark is discontinued or is determined to be “no longer representative” by a regulatory authority. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

IBOR replacement

There is continued regulatory scrutiny of use of inter-bank offered rates (“**IBORs**”) and increasing pressure and momentum for banks and other financial institutions to transition relevant products to replacement rates.

Risk-free rates, such as SONIA and SOFR, operate on a backward-looking basis (predominantly on the basis of a daily compounding calculation), although forward-looking term rates based on certain of these risk-free rates have been or are being developed and may become prevalent in certain markets.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

The potential transition from IBORs to risk-free or other rates or benchmarks, the cessation of a benchmark or changes in the manner of administration of any benchmark could require an adjustment to the Conditions, or result in other consequences, in respect of any Notes referencing such benchmark. Such factors may also have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

Benchmark discontinuation under the Conditions

The Conditions provide for certain fallback arrangements in the event that the relevant Issuer determines that a Benchmark Event or a Benchmark Transition Event (as applicable) (as defined in the Conditions) occurs in respect of the Original Reference Rate for the relevant series of Notes, including (without limitation) if an IBOR (such as EURIBOR) or other relevant reference rate, and/or any page on which such benchmark may be published (or any other successor service) becomes unavailable.

Such fallback arrangements include the possibility that the rate of interest could be set by reference to a Successor Rate, an Alternative Rate or a Benchmark Replacement (each as defined in the Conditions) together with the application of an adjustment spread (which could be positive, negative or zero) or Benchmark Replacement Adjustment (as defined in the Conditions), and may include amendments to these Conditions to ensure the proper operation of the new benchmark, all as determined by the Independent Adviser (acting in good faith) and as more fully described at Condition 7(i) (*Benchmark Discontinuation*). It is possible that the adoption of a successor or alternative rate or Benchmark Replacement, including any adjustment spread or Benchmark Replacement Adjustment, may result in a rate of interest less favourable to holders than the Original Reference Rate.

There is also a risk that the relevant fallback provisions may not operate as expected or as intended at the relevant time.

Floating Rate Notes issued under the Programme could effectively become Fixed Rate Notes

Furthermore, in certain circumstances, the ultimate fallback for the purposes of calculation of the Rate of Interest for a particular Interest Accrual Period may result in the Rate of Interest for the last preceding Interest Accrual Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the UK Benchmarks Regulation and/or the EU Benchmarks Regulation, as

applicable, or any of the reforms and the possible application of the benchmark replacement provisions of the Notes in making any investment decision with respect to any Notes referencing a benchmark.

The market continues to develop in relation to risk free rates (including overnight rates) as reference rates

Where the relevant Pricing Supplement for a Series of Floating Rate Notes identifies that the Rate of Interest for such Notes will be determined by reference to SONIA, SOFR, or €STR, the Rate of Interest will be determined on the basis of the relevant reference rate (as further described in the Conditions). All such rates are based on ‘overnight rates’. Overnight rates differ from EURIBOR in a number of material respects, including (without limitation) that such rates are backwards-looking, risk-free overnight rates, whereas EURIBOR is expressed on the basis of a forward-looking term and includes a risk-element based on inter-bank lending. As such, investors should be aware that overnight rates may behave materially differently as interest reference rates for Notes issued under the Programme compared to interbank offered rates. The use of overnight rates as reference rates for Eurobonds is subject to continued change and development, both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of bonds referencing such overnight rates.

Accordingly, prospective investors in any Notes referencing any overnight rates should be aware that while the use of SONIA in the sterling bond markets is now fairly well established, the market continues to develop in relation to such rates in the capital markets and their adoption as an alternative to interbank offered rates. Market participants, industry groups and/or central bank-led working groups have explored compounded and weighted average rates and observation methodologies for such rates (including so-called ‘shift’, ‘lag’, and ‘lock-out’ methodologies) and forward-looking ‘term’ reference rates derived from these overnight rates have also been, or are being, developed. The adoption of overnight rates may also see component inputs into swap rates or other composite rates transferring from IBORs or another reference rate to an overnight rate.

The market or a significant part thereof may adopt overnight rates in a way that differs significantly from those set out in the Conditions. In addition, the methodology for determining any overnight rate index by reference to which the Rate of Interest in respect of certain Notes may be calculated could change during the life of any Notes. Furthermore, the relevant Issuer may in the future issue Notes referencing SONIA, SOFR or €STR that differ materially in terms of interest determination when compared with any previous SONIA-, SOFR- or €STR- referenced Notes issued by it under the Programme. The continued development of overnight rates as interest reference rates for the Eurobond markets and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise adversely affect the market price of any such Notes issued under the Programme from time to time.

Furthermore, the Rate of Interest on Notes which reference overnight rates is only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes which reference overnight rates to estimate reliably the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which factors could adversely impact the liquidity of such Notes. Further, in contrast to IBOR-based Notes, if Notes referencing an overnight rate become due and payable as a result of an Event of Default, or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Rate of Interest payable in respect of such Notes shall only be determined immediately prior to the date on which the Notes become due and payable.

In addition, the manner of adoption or application of overnight rates in the Eurobond markets may differ materially when compared with the application and adoption of the same overnight rates for the same currencies in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of overnight rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing overnight rates.

Investors should carefully consider these matters when making their investment decision with respect to any such Notes.

The administrator of SONIA, SOFR, €STR or any related indices or other reference rates may make changes that could change the value of SONIA, SOFR, €STR or any related index or other reference rates, or discontinue SONIA, SOFR, €STR or any related index or other reference rates

The Bank of England, the Federal Reserve Bank of New York or the European Central Bank (or their successors) as administrators of SONIA, SOFR and €STR, respectively, or the administrator of any other reference rate, may make methodological or other changes that could change the value of these rates, including changes related to the method by which such rate is calculated, eligibility criteria applicable to the transactions used to calculate such rate, or timing related to the publication of such rate. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of any such rate (in which case a fallback method of determining the interest rate on the Notes will apply). The administrator has no obligation to consider the interests of Noteholders when calculating, adjusting, converting, revising or discontinuing any such rate.

RISKS RELATED TO THE NOTES GENERALLY

Because the Global Notes or Global Registered Note Certificates, as applicable, are held by or on behalf of Euroclear and Clearstream, investors will have to rely on their procedures for transfers, payments and communications with the relevant Issuer

Notes issued under the Programme may be represented by one or more Global Notes (in the case of Bearer Notes) or Global Registered Note Certificates (in the case of Registered Notes). Such Global Notes and Global Registered Note Certificates will be deposited with a common depositary or, as the case may be, common safekeeper for Euroclear and Clearstream. Except in the circumstances described in the relevant Global Note or Global Registered Note Certificate, investors will not be entitled to receive Definitive Notes or Individual Note Certificates, as applicable. Euroclear and Clearstream will maintain records of the beneficial interests in the Global Notes and Global Registered Note Certificates. While the Notes are represented by one or more Global Notes or Global Registered Note Certificates, investors will be able to trade their beneficial interests only through Euroclear and Clearstream.

While the Notes are represented by one or more Global Notes or Global Registered Note Certificates the relevant Issuer will discharge its payment obligations under the Notes by making payments to Euroclear and Clearstream for distribution to their account holders. A holder of a beneficial interest in a Global Note or Global Registered Note Certificate must rely on the procedures of Euroclear and Clearstream to receive payments under the relevant Notes. The relevant Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes or Global Registered Note Certificates.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream to appoint appropriate proxies.

Modification, waivers and substitution

The Conditions contain provisions for calling physical or, wholly or partly, virtual meetings of Noteholders by means of electronic facility or facilities (including telephone and video conference platforms) to consider and vote on matters affecting their interests, including the sanctioning by resolutions of a modification of the Notes, the Coupons or any of the provisions of the Trust Deed. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution or give their consent electronically, and including those Noteholders who voted in a manner contrary to the majority.

The Conditions also provide that the Trustee may, without the consent of Noteholders, (i) agree to any modification of the Notes, the Coupons or the Trust Deed which is, in the opinion of the Trustee, either (A) not materially prejudicial to the interests of the Noteholders, or (B) of a formal, minor or technical nature or which is made to correct a manifest error or to comply with mandatory provisions of applicable law, (ii) agree to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes, (iii) determine that any Event of Default or Potential Event of Default shall not be treated as such, or (iv) agree to the substitution of the relevant Issuer as the principal debtor or the Guarantor as guarantor with certain other entities as specified in the Conditions.

Change of law

The Conditions are based on English law in effect as at the date of issue of the relevant Notes. No assurance can be given as to the effect of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Notes.

Notes with integral multiples

In relation to any issue of Notes which have a denomination consisting of the minimum Specified Denomination plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of the Specified Denomination that are not integral multiples of the Specified Denomination. In such a case, a Noteholder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in their account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed or issued) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

RISKS RELATED TO THE MARKET GENERALLY

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

Exchange rate risks and exchange controls

The relevant Issuer will pay principal and interest on the Notes (as appropriate) and the Guarantor will make any payments under the Guarantee in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

The secondary market

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies, are being issued to a single investor or a limited number of investors or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes as an equivalent investment issued at the current market interest rate may be more attractive to investors.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the EU CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation (and such registration has not been

withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country credit rating agencies unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country non-EEA rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances).

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances.

If the status of the rating agency rating the Notes changes for the purposes of the EU CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment. This may result in European and/or UK regulated investors selling the Notes which may impact the value of the Notes and any secondary market. The list of registered and certified rating agencies published by each of the European Securities and Markets Authority (“ESMA”) and the FCA, as applicable, on its website in accordance with the EU CRA Regulation and UK CRA Regulation, as applicable, is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA and/or FCA list, as applicable. Certain information with respect to the credit rating agencies and ratings is set out on the cover of these Listing Particulars.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents (the “**Documents Incorporated by Reference**”) or sections thereof shall be deemed to be incorporated in, and to form part of, these Listing Particulars:

- Pearson’s audited consolidated financial statements as of 31 December 2025 and 2024 and for each of the years ended 31 December 2025, 2024 and 2023 prepared in accordance with IFRS accounting standards as issued by the International Accounting Standards Board (IASB) (the “**Pearson Financial Statements**”) (including the auditor reports thereon and notes thereto) on pages 168-224 (inclusive) and pages 235-240 (inclusive), together with the section headed “*Report of Independent Registered Public Accounting Firm – To the Shareholders and the Board of Directors of Pearson plc – Opinion on the Financial Statements*”, of Pearson’s Annual Report on Form 20-F for the year ended 31 December 2025 (the “**Pearson’s Annual Report on Form 20-F**”);
- the audited annual financial statements (on an entity basis and including the auditor’s report thereon and notes thereto) of Pearson Funding plc as of and for the year ended 31 December 2024 prepared in accordance with Financial Reporting Standard 101, ‘Reduced Disclosure Framework’ (“**FRS 101**”) (the “**2024 Pearson Funding plc Financial Statements**”);
- the audited annual financial statements (on an entity basis and including the auditor’s report thereon and the notes thereto) of Pearson Funding plc as of and for the year ended 31 December 2023 prepared in accordance with FRS 101 (the “**2023 Pearson Funding plc Financial Statements**”);
- the sections headed “*2025 highlights: Powering growth through innovation*” as set out on page 3, and “*Business unit overviews*”, as set out on pages 4 to 7, of Pearson’s Annual Report on Form 20-F; and
- all (a) future audited annual financial statements of Pearson, Pearson Funding plc and Pearson Funding LLC, respectively; and (b) future audited or unaudited interim financial statements of Pearson (in each case, together with any accompanying independent auditor’s report or review report, if applicable, and the “financial key performance indicators” thereon), as and when any such financial statements (together with any such accompanying reports and “financial key performance indicators”) are published in accordance with the ISM Rulebook.

With the exception of (a) the Pearson Financial Statements, and (b) pages 3 to 7 (inclusive) of Pearson’s Annual Report on Form 20-F (see “*Description of the Guarantor*”), Pearson’s Annual Report on Form 20-F is not incorporated by reference herein, shall not form part of these Listing Particulars and is not relevant for investors in the Notes.

The Pearson Financial Statements for each of the three years in the period ended 31 December 2025 have been audited by Ernst & Young LLP, independent registered public accounting firm.

Pearson’s Annual Report on Form 20-F has been previously published and was filed with each of the FCA’s National Storage Mechanism and the SEC on 13 March 2026 (SEC File No. 001-16055/26749918).

Copies of documents incorporated by reference in these Listing Particulars may be obtained (i) at the office of The Bank of New York Mellon, London Branch, 160 Queen Victoria Street, London EC4V 4LA, United Kingdom upon prior written request of the Noteholder and provision of proof of holding and identity in a form satisfactory to the Principal Paying Agent; or (ii) by contacting Pearson’s Company Secretary at 80 Strand, London WC2R 0RL, United Kingdom (Tel: +44 20 7010 2257). In addition, a copy of Pearson’s Annual Report on Form 20-F may be accessed electronically free of charge at Pearson’s website at <https://www.pearson.com/corporate/investors/reports-and-presentations.html>, and the 2024 Pearson Funding plc Financial Statements and the 2023 Pearson Funding plc Financial Statements may be accessed electronically free of charge at <https://find-and-update.company-information.service.gov.uk/company/08422787/filing-history>. Other than the documents specifically incorporated by reference herein, as set forth above, the information contained on Pearson’s website is not incorporated by reference in these Listing Particulars, and prospective investors should not consider

any information contained on, or that can be accessed through, Pearson's website as part of these Listing Particulars or in deciding whether to purchase any Notes.

Any statement contained in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purposes of these Listing Particulars to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of these Listing Particulars.

PRICING SUPPLEMENT AND SUPPLEMENTARY LISTING PARTICULARS

In this section the expression “**necessary information**” means, in relation to any Tranche of Notes, the information necessary to enable investors to make an informed assessment of the assets and liabilities, profits and losses, financial position and prospects of the relevant Issuer and the Guarantor and of the rights attaching to the Notes and the reasons for the issuance and the impact on the relevant Issuer. In relation to the different types of Notes which may be issued under the Programme the Issuers have endeavoured to include in these Listing Particulars all of the necessary information except for information relating to the Notes which is not known at the date of these Listing Particulars and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in these Listing Particulars and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained in the relevant Pricing Supplement.

For a Tranche of Notes which is the subject of a Pricing Supplement, that Pricing Supplement will, for the purposes of that Tranche only, supplement these Listing Particulars and must be read in conjunction with these Listing Particulars. The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Pricing Supplement are the Conditions described in the relevant Pricing Supplement as supplemented to the extent described in the relevant Pricing Supplement. In the case of a Tranche of Notes which is the subject of a supplement to these Listing Particulars, each reference in these Listing Particulars to information being specified or identified in the relevant Pricing Supplement shall be read and construed as a reference to such information being specified or identified in the relevant supplement to these Listing Particulars unless the context requires otherwise.

Following the preparation of these Listing Particulars, a supplement may be prepared by the Issuers and the Guarantor. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in these Listing Particulars. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of these Listing Particulars.

The Issuers and the Guarantor will prepare a supplement to these Listing Particulars or prepare new Listing Particulars for use in connection with any subsequent issue of Notes, in the event that any of the Issuers or the Guarantor becomes aware that there is a significant new factor, material mistake or material inaccuracy relating to the information included in these Listing Particulars. Such supplement would be submitted to the London Stock Exchange prior to publication in accordance with Section 3 of the ISM Rulebook.

FORMS OF NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons attached, or registered form, without interest coupons attached. Bearer Notes will be issued outside the United States in reliance on Regulation S under the Securities Act and Registered Notes will be issued outside the United States in reliance on the exemption from registration provided by Regulation S.

Bearer Notes

Each Tranche of Notes in bearer form (“**Bearer Notes**”) will initially be in the form of either a temporary global note in bearer form (the “**Temporary Global Note**”), without interest coupons, or a permanent global note in bearer form (the “**Permanent Global Note**”), without interest coupons, in each case as specified in the relevant Pricing Supplement. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a “**Global Note**”) which is not intended to be issued in new global note (“**NGN**”) form, as specified in the relevant Pricing Supplement, will be deposited on or around the issue date of the relevant Tranche of the Notes with a depository or a common depository for Euroclear Bank SA/NV (“**Euroclear**”) and/or Clearstream Banking S.A. (“**Clearstream**”) and/or any other relevant clearing system and each Global Note which is intended to be issued in NGN form, as specified in the relevant Pricing Supplement, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream.

Where the Global Notes issued in respect of any Tranche are in NGN form, the relevant Pricing Supplement will indicate whether or not such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The common safekeeper for NGNs will either be Euroclear or Clearstream.

In the case of each Tranche of Bearer Notes, the relevant Pricing Supplement will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the “**TEFRA C Rules**”) or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the “**TEFRA D Rules**”) are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

Pearson Funding LLC will not issue any Bearer Notes.

Temporary Global Note exchangeable for Permanent Global Note

If the relevant Pricing Supplement specifies the form of Notes as being “Temporary Global Note exchangeable for a Permanent Global Note”, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note from the 40th day after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the relevant Issuer shall procure (in the case of first exchange) the prompt delivery (free of charge to the bearer) of such Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (a) presentation and (in the case of final exchange) surrender of the Temporary Global Note to or to the order of the Principal Paying Agent; and
- (b) receipt by the Principal Paying Agent of a certificate or certificates of non-U.S. beneficial ownership,

within 7 days of the bearer requesting such exchange.

The principal amount of the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership; **PROVIDED, HOWEVER,**

THAT in no circumstances shall the principal amount of the Permanent Global Note exceed the initial principal amount of the Temporary Global Note.

The Permanent Global Note will be exchangeable in whole, but not in part, for Bearer Notes in definitive form (“**Definitive Notes**”):

- (a) on the expiry of such period of notice as may be specified in the relevant Pricing Supplement; or
- (b) at any time, if so specified in the relevant Pricing Supplement; or
- (c) if the relevant Pricing Supplement specifies “in the limited circumstances described in the Permanent Global Note”, then if (a) Euroclear or Clearstream or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or, (b) any of the circumstances described in Condition 12 (*Events of Default*) occurs or (c) the relevant Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Global Note in definitive form.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Pricing Supplement), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange. Purchasers in the United States and certain U.S. persons will not be able to receive Definitive Notes.

Temporary Global Note exchangeable for Definitive Notes

If the relevant Pricing Supplement specifies the form of Notes as being “Temporary Global Note exchangeable for Definitive Notes” and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Notes will initially be represented by a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes from the 40th day after the issue date of the relevant Tranche of the Notes.

If the relevant Pricing Supplement specifies the form of Notes as being “Temporary Global Note exchangeable for Definitive Notes” and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes from the 40th day after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Pricing Supplement), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange. Purchasers in the United States and certain U.S. persons will not be able to receive Definitive Notes.

Permanent Global Note exchangeable for Definitive Notes

If the relevant Pricing Supplement specifies the form of Notes as being “Permanent Global Note exchangeable for Definitive Notes”, then the Notes will initially be represented by a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

- (a) on the expiry of such period of notice as may be specified in the relevant Pricing Supplement; or
- (b) at any time, if so specified in the relevant Pricing Supplement; or
- (c) if the relevant Pricing Supplement specifies “in the limited circumstances described in the Permanent Global Note”, then if (i) Euroclear or Clearstream or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or does in fact do so and no

other clearing system acceptable to the Trustee is then in existence, or (ii) any of the circumstances described in Condition 12 (*Events of Default*) occurs or (iii) the relevant Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Global Note in definitive form.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Pricing Supplement), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under “*Terms and Conditions of the Notes*” below and the provisions of the relevant Pricing Supplement which supplement, amend and/or replace those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under “*Summary of Provisions Relating to the Notes while in Global Form*” below.

Legend concerning United States persons

In the case of any Tranche of Bearer Notes having a maturity of more than one year, the Notes in global form (other than Temporary Global Notes), the Notes in definitive form and any Coupons and Talons appertaining thereto will bear the following legend:

“Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.”

Registered Notes

Each Tranche of Notes in registered form (“**Registered Notes**”), will be represented by either individual note certificates in registered form (“**Individual Note Certificates**”) or a global note in registered form (a “**Global Registered Note Certificate**”), in each case as specified in the relevant Pricing Supplement.

Each Global Registered Note Certificate which is not intended to be held under the new safekeeping structure (the “**New Safekeeping Structure**”), as specified in the relevant Pricing Supplement, will be deposited on or around the relevant issue date with a depositary or a common depositary (or its nominee) for Euroclear and/or Clearstream and/or any other relevant clearing system and registered in the name of a nominee for such depositary and will be exchangeable for Individual Note Certificates in accordance with its terms. Each Global Registered Note Certificate which is intended to be held under the New Safekeeping Structure, as specified in the relevant Pricing Supplement, will, on or about the relevant issue date, be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream and/or any other relevant clearing system (which is authorised to hold such Notes as eligible collateral for Eurosystem monetary policy and intra-day credit operations) and be deposited with a nominee for such clearing system and will be exchangeable for Individual Note Certificates in accordance with its terms.

If the relevant Pricing Supplement specifies the form of Notes as being “Individual Note Certificates”, then the Notes will at all times be in the form of Individual Note Certificates issued to each Noteholder in respect of their respective holdings.

Global Registered Note Certificate exchangeable for Individual Note Certificates

If the relevant Pricing Supplement specifies the form of Notes as being “Global Registered Note Certificate exchangeable for Individual Note Certificates”, then the Notes will initially be represented by a Global Registered Note Certificate which will be exchangeable in whole, but not in part, for Individual Note Certificates:

- (a) on the expiry of such period of notice as may be specified in the relevant Pricing Supplement; or
- (b) at any time, if so specified in the relevant Pricing Supplement; or

- (c) if the relevant Pricing Supplement specifies “in the limited circumstances described in the Global Registered Note Certificate”, then if either of the following events occurs:
 - (i) Euroclear or Clearstream or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or does in fact do so and no other clearing system acceptable to the Trustee is then in existence; or
 - (ii) any of the circumstances described in Condition 12 (*Events of Default*) occurs and is continuing.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Individual Note Certificate will be endorsed on that Individual Note Certificate and will consist of the terms and conditions set out under “*Terms and Conditions of the Notes*” below and the provisions of the relevant Pricing Supplement which complete those terms and conditions.

The terms and conditions applicable to any Global Registered Note Certificate will differ from those terms and conditions which would apply to the Note were it in individual form to the extent described under “*Summary of Provisions Relating to the Notes while in Global Form*” below.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, as completed by the relevant Pricing Supplement, will be endorsed on each Note in definitive form issued under the Programme. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under “*Summary of Provisions Relating to the Notes while in Global Form*” below.

1. Introduction

(a) Programme

Pearson Funding plc and Pearson Funding LLC (each an “**Issuer**” and together, the “**Issuers**”) have established a Euro Medium Term Note Programme (the “**Programme**”) for the issuance of up to £3,000,000,000 in aggregate principal amount of notes (the “**Notes**”) unconditionally and irrevocably guaranteed by Pearson plc (the “**Guarantor**”).

References herein to the relevant Issuer shall be references to whichever Issuer is specified as the Issuer in the relevant Pricing Supplement (as defined below).

(b) Pricing Supplement

Notes issued under the Programme are issued in series (each a “**Series**”) and each Series may comprise one or more tranches (each a “**Tranche**”) of Notes. Each Tranche is the subject of a pricing supplement (the “**Pricing Supplement**”) which completes these terms and conditions (the “**Conditions**”). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the relevant Pricing Supplement. In the event of any inconsistency between these Conditions and the relevant Pricing Supplement, the relevant Pricing Supplement shall prevail.

(c) Trust Deed

The Notes are constituted by, have the benefit of and are in all respects subject to a trust deed dated 17 April 2026 (as amended, restated and/or supplemented from time to time, the “**Trust Deed**”) between the Issuers, the Guarantor and The Law Debenture Trust Corporation p.l.c. (the “**Trustee**”, which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below).

(d) Agency Agreement

The Notes are the subject of an agency agreement dated 17 April 2026 (the “**Agency Agreement**”) between the Issuers, the Guarantor, The Bank of New York Mellon, London Branch as principal paying agent (the “**Principal Paying Agent**”, which expression includes any successor principal paying agent appointed from time to time in connection with the Notes) and The Bank of New York Mellon SA/NV, Dublin Branch as registrar (the “**Registrar**”, which expression includes any successor registrar appointed from time to time in connection with the Notes), the paying agent named therein (together with the Principal Paying Agent, the “**Paying Agents**”, which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes), the transfer agent named therein (together with the Registrar, the “**Transfer Agents**”, which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes) and the Trustee. In these Conditions references to the “**Agents**” are to the Paying Agents and the Transfer Agents and any reference to an Agent is to any one of them.

(e) Guarantee

The Guarantor has in the Trust Deed given an unconditional and irrevocable guarantee in respect of Notes issued by the Issuers (the “**Guarantee**”) for the due payment of all sums expressed to be payable by the relevant Issuer under the Trust Deed, the Notes and the Coupons.

(f) The Notes

The Notes may be issued in bearer form (“**Bearer Notes**”), or in registered form (“**Registered Notes**”), as specified in the relevant Pricing Supplement. All subsequent references in these Conditions to “**Notes**” are to the Notes which are the subject of the relevant Pricing Supplement.

Copies of the relevant Pricing Supplement are available for viewing during normal business hours and copies may be obtained from the Specified Office(s) of the Paying Agent(s), the initial Specified Office of the Principal Paying Agent being set out at the end of these Conditions, and if the Notes are to be admitted to trading on the International Securities Market (the “**ISM**”) of the London Stock Exchange plc (the “**London Stock Exchange**”), on the website of the London Stock Exchange through a regulatory information service or will be published in such other manner permitted by the International Securities Market Rulebook effective as of 19 January 2026 (as may be modified and/or supplemented and/or restated from time to time).

(g) **Summaries**

Certain provisions of these Conditions are summaries of the Trust Deed and the Agency Agreement and are subject to their detailed provisions. The Noteholders (as defined below) and the holders of the related interest coupons, if any, (the “**Coupon holders**” and the “**Coupons**”, respectively) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them. Copies of the Trust Deed and the Agency Agreement are available to Noteholders upon request to the Trustee or the Principal Paying Agent therefor and provision of proof of holding and identity (in form satisfactory to the Trustee or the Principal Paying Agent, as the case may be).

2. **Interpretation**

(a) **Definitions**

In these Conditions the following expressions have the following meanings:

“**Accrual Yield**” has the meaning given in the relevant Pricing Supplement;

“**Acquisition Event**” means the relevant Issuer or, as the case may be, the Guarantor confirming in writing to the Noteholders and the Trustee at any time during the Acquisition Event Call Period that it, or any of its Subsidiaries through which such acquisition is intended to be effected, no longer intends and is no longer legally committed to pursue the acquisition of the Acquisition Target specified in the applicable Pricing Supplement;

“**Additional Business Centre(s)**” means the city or cities specified as such in the relevant Pricing Supplement;

“**Additional Financial Centre(s)**” means the city or cities specified as such in the relevant Pricing Supplement;

“**Affiliate**” shall have the meaning given in Rule 405 of the U.S. Securities Act of 1933, as amended;

“**Authorised Signatory**” has the meaning given to it in the Trust Deed;

“**Board of Directors**” means, as to any Person, the board of directors, management committee or similar governing body of such Person or any duly authorised committee thereof;

“**Broken Amount**” has the meaning given in the relevant Pricing Supplement;

“**Business Day**” means:

(a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and

(b) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

“**Business Day Convention**”, in relation to any particular date, has the meaning given in the relevant Pricing Supplement and, if so specified in the relevant Pricing Supplement, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (a) **“Following Business Day Convention”** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (b) **“Modified Following Business Day Convention”** or **“Modified Business Day Convention”** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day, save in respect of Notes for which the Reference Rate is SOFR, for which the final Interest Payment Date will not be postponed and interest on that payment will not accrue during the period from and after the scheduled final Interest Payment Date;
- (c) **“Preceding Business Day Convention”** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (d) **“FRN Convention”, “Floating Rate Convention”** or **“Eurodollar Convention”** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Pricing Supplement as the Specified Period after the calendar month in which the preceding such date occurred, provided, however, that:
 - (i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (e) **“No Adjustment”** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

“Calculation Agent” means the Principal Paying Agent or such other Person specified in the relevant Pricing Supplement as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Pricing Supplement;

“Calculation Amount” has the meaning given in the relevant Pricing Supplement;

“Change of Control” means the occurrence of any of the following:

- (a) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any Person or “group” (as used in Section 13d-3 of the Exchange Act) (other than an Affiliate of the Guarantor) becomes the beneficial owner, directly or indirectly, of more than 50 per cent. of the Voting Stock of the Guarantor or other Voting Stock into which the Voting Stock of the Guarantor is reclassified, consolidated, exchanged or changed, measured by voting power rather than number of shares;
- (b) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or more series of related transactions, of all or substantially all of the assets of the Guarantor and the Subsidiaries of the Guarantor, taken as a whole, to one or more Persons (other than an Affiliate of the Guarantor);
- (c) the first day on which a majority of the members of the Board of Directors of the Guarantor are not Continuing Directors; or
- (d) the adoption of a plan relating to the liquidation or dissolution of the Guarantor.

Notwithstanding the foregoing, a transaction will not be deemed to involve a Change of Control if:

- (i) the Guarantor becomes a direct or indirect wholly-owned subsidiary of a holding company; and
- (ii) (A) the direct or indirect holders of the Voting Stock of such holding company immediately following that transaction are substantially the same as the holders of the Voting Stock of the Guarantor immediately prior to that transaction or (B) immediately following that transaction one Person (other than a holding company satisfying the requirements of this sentence) is not the beneficial owner, directly or indirectly, of more than 50 per cent. of the Voting Stock of such holding company;

“**Change of Control Optional Redemption Amount**” means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Pricing Supplement;

“**Change of Control Triggering Event**” means the occurrence of both a Change of Control and a Rating Event;

“**Continuing Directors**” means, as of any date of determination, any member of the Board of Directors of the Guarantor who (1) was a member of such Board of Directors on the date the first Tranche of the Notes of the relevant Series were issued or (2) was nominated for election, elected or appointed to such Board of Directors with the approval of a majority of the continuing directors who were members of such Board of Directors at the time of such nomination, election or appointment (either by a specific vote or by approval of the proxy statement of the Guarantor in which such member was named as a nominee for election as a director, without objection to such nomination);

“**Coupon Sheet**” means, in respect of a Note, a coupon sheet relating to the Note;

“**Day Count Fraction**” means, in respect of the calculation of an amount for any period of time (whether or not constituting an Interest Period or an Interest Accrual Period) (the “**Calculation Period**”) such day count fraction as may be specified in these Conditions or the relevant Pricing Supplement and:

- (a) if “**Actual/Actual (ICMA)**” is so specified, means:
 - (i) where the Calculation Period is equal to or shorter than the Regular Period during which the Calculation Period ends, the actual number of days in such Calculation Period divided by the product of (A) the number of days in such Regular Period and (B) the number of Regular Periods in any calendar year; or
 - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
 - I. the actual number of days in such Calculation Period falling in the Regular Period in which the Calculation Period begins divided by the product of (I) the actual number of days in such Regular Period and (II) the number of Regular Periods in any calendar year; and
 - II. the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (I) the actual number of days in such Regular Period and (II) the number of Regular Periods in any calendar year;
- (b) if “**Actual/Actual (ISDA)**” or “**Actual/Actual**” is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (c) if “**Actual/365 (Fixed)**” is so specified, means the actual number of days in the Calculation Period divided by 365;
- (d) if “**Actual/365 (Sterling)**” is so specified, means the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

- (e) if “**Actual/360**” is so specified, means the actual number of days in the Calculation Period divided by 360;
- (f) if “**30/360, 360/360**” or “**Bond Basis**” is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number is 31, in which case D₁ will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (g) if “**30E/360**” or “**Eurobond Basis**” is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30; and

- (h) if “**30E/360 (ISDA)**” is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30,

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

“**Early Redemption Amount (Tax)**” means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Pricing Supplement;

“**Early Termination Amount**” means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Pricing Supplement;

“**EURIBOR**” means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Euro zone interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the European Money Markets Institute (or any other person which takes over the administration of that rate) based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic EURIBOR rates can be obtained from the designated distributor);

“**Exchange Act**” means the U.S. Securities Exchange Act of 1934, as amended;

“**Extraordinary Resolution**” has the meaning given in the Trust Deed;

“**Final Redemption Amount**” means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Pricing Supplement;

“**First Interest Payment Date**” means the date specified in the relevant Pricing Supplement;

“**Fitch**” means Fitch Ratings Ltd, or any successor;

“**Fixed Coupon Amount**” has the meaning given in the relevant Pricing Supplement;

“**Floating Rate Note**” means a Note bearing interest on a floating rate basis;

“**Group**” means the Guarantor and its Subsidiaries for the time being;

“**Gross Redemption Yield**” on the Notes and on the Reference Stock will be expressed as a percentage and will be calculated by the Calculation Agent on the basis as published by the Treasury Publisher on an annual compounding basis rounded up (if necessary) to three decimal places, 0.0005 being rounded up, or on such other basis as the Trustee may in its sole discretion approve;

“**Guarantee**” has the meaning stated in Condition 1(e);

“**Guarantor**” has the meaning stated in Condition 1(a);

“**Holder**”, in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer – Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer – Title to Registered Notes*);

“**Interest Amount**” means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

“**Interest Commencement Date**” means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Pricing Supplement;

“**Interest Determination Date**” has the meaning given in the relevant Pricing Supplement;

“**Interest Payment Date**” means the First Interest Payment Date and any other date or dates specified as such in, or determined in accordance with the provisions of, the relevant Pricing Supplement and, if a Business Day Convention is specified in the relevant Pricing Supplement:

- (a) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months or other period is specified in the relevant Pricing Supplement as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

“**Interest Period**” means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date (or, if the Notes are redeemed on any earlier date, the relevant redemption date);

“**Issue Date**” has the meaning given in the relevant Pricing Supplement;

“**Investment Grade Rating**” means a rating equal to or higher than Baa3 (or the equivalent) by Moody’s and BBB- (or the equivalent) by Fitch, and the equivalent investment grade credit rating from any additional rating agency or rating agencies selected by the relevant Issuer;

“**Make Whole Amount**” means, in respect of any Note, the higher of:

- (a) its principal amount; or
- (b) an amount equal to the product of the Calculation Amount and the price, expressed as a percentage (rounded to three decimal places, 0.0005 being rounded up), at which the Gross Redemption Yield on the Note, if it were to be purchased at such price on the third dealing day prior to the date of publication of the notice of redemption, would be equal to the sum of the Make Whole Premium (expressed as a percentage) and the Gross Redemption Yield on such dealing day of the Reference Treasury or, if such stock is no longer in issue, of such other government stock issued by the central government of such sovereign country that issued the Reference Treasury as the Calculation Agent, with the advice of three leading brokers operating in the Reference Treasury market and/or the Reference Treasury market makers or such other three persons operating in the Reference Treasury market as the Calculation Agent may approve, shall determine to be appropriate (the “**Reference Stock**”) on the basis of the middle market price of the Reference Stock prevailing at 11.00 a.m. on such dealing day as determined by the Calculation Agent;

“**Make Whole Premium**” has the meaning given in the relevant Pricing Supplement;

“**Margin**” has the meaning given in the relevant Pricing Supplement;

“**Material Company**” means:

- (a) the relevant Issuer; and
- (b) any Subsidiary of the Guarantor:
 - (i) whose unconsolidated profits (before interest, taxation and non-operating items) are more than 5 per cent. of the consolidated profits of the Guarantor and its Subsidiaries (the “**Group**”) (before interest, taxation and non-operating items); or

- (ii) whose external turnover is more than 3 per cent. of the consolidated turnover of the Group,

all as shown (in the case of any Subsidiary) in the accounts used for preparing the Group consolidation in the most recent annual consolidated financial statements of the Group. If a Subsidiary (other than the relevant Issuer) which is not a Material Company on the basis of the most recent such accounts receives a transfer of assets or the right to receive any trading profits or turnover which, taken together with the existing trading profits, assets or, as the case may be, turnover of that Subsidiary, would satisfy any test in i. or ii. above, then that Subsidiary shall also be a Material Company on and from the date it receives such transfer. If a Material Company disposes of any assets or the right to receive any trading profits or turnover such that it would on the basis of the most recent such accounts cease to be a Material Company, then it shall be excluded as a Material Company on and from the date of such disposal. A report (whether or not addressed to the Trustee) by two Authorised Signatories of the Guarantor that a Subsidiary of the Guarantor is or is not or was or was not at any particular time or throughout any specified period a Material Company may be relied upon by the Trustee without further enquiry or evidence and, if so relied upon by the Trustee shall, in the absence of manifest error, be conclusive and binding on all parties;

“**Maturity Date**” has the meaning given in the relevant Pricing Supplement;

“**Maximum Redemption Amount**” has the meaning given in the relevant Pricing Supplement;

“**Minimum Redemption Amount**” has the meaning given in the relevant Pricing Supplement;

“**Moody’s**” means Moody’s Investors Service Limited, or any successor;

“**Noteholder**”, in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer – Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer – Title to Registered Notes*);

“**Officer**” means, when used in connection with any action to be taken by the relevant Issuer, the chair of the Board of Directors, the chief executive officer, any executive director, or any person authorised by the Board of Directors (or, in the case of Pearson Funding LLC, any person authorised by its member) of the relevant Issuer (such authorisation to be evidenced in writing and delivered to the Trustee) to act as representative of such persons;

“**Optional Redemption Amount (Call)**” means, in respect of any Note, its principal amount or, if specified in the relevant Pricing Supplement, the Make Whole Amount;

“**Optional Redemption Amount (Put)**” means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Pricing Supplement;

“**Optional Redemption Date (Call)**” has the meaning given in the relevant Pricing Supplement;

“**Optional Redemption Date (Put)**” has the meaning given in the relevant Pricing Supplement;

“**Participating Member State**” means a Member State of the European Communities which adopts the euro as its lawful currency in accordance with the Treaty;

“**Paying Agents**” means the Principal Paying Agent and any substitute or additional paying agents appointed in accordance with the Agency Agreement and a “**Paying Agent**” means any of them;

“**Payment Business Day**” means:

- (a) if the currency of payment is euro, any day which is:
 - (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (ii) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre(s); or

- (b) if the currency of payment is not euro, any day which is:
- (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre(s);

“**Person**” means an individual, partnership, corporation, limited liability company, unincorporated organisation, trust or joint venture, or a governmental agency or political subdivision thereof, or any other entity;

“**Principal Financial Centre**” means, in relation to any currency, the principal financial centre for that currency, **PROVIDED, HOWEVER, THAT:**

- (a) in relation to euro, it means the principal financial centre of such Participating Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (b) in relation to Australian dollars, it means either Sydney or Melbourne and, in relation to New Zealand dollars, it means either Wellington or Auckland; in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

“**Put Option Notice**” means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder pursuant to Condition 9(f) (*Redemption at the option of Noteholders*);

“**Put Option Receipt**” means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

“**Rate of Interest**” means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Pricing Supplement or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Pricing Supplement;

“**Rating Agencies**” means (1) each of Moody’s and Fitch; and (2) if either Moody’s or Fitch ceases to rate the Notes or fails to make a rating of the Notes publicly available for reasons outside the control of the relevant Issuer and the Guarantor, a “nationally recognised statistical rating organisation” within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act selected by the relevant Issuer or the Guarantor (as certified, in the case of the UK Issuer or the Guarantor, by a resolution of the Board of Directors, or, in the case of the US Issuer, by its member) as a replacement agency for Moody’s or Fitch, or both of them, as the case may be;

“**Rating Event**” means the rating on the Notes is lowered by each of the Rating Agencies and the Notes are rated below an Investment Grade Rating by each of the Rating Agencies on any day during the period commencing 60 days prior to the first public announcement by the Guarantor of any Change of Control (or pending Change of Control) and ending 60 days following the consummation of such Change of Control (which period will be extended following consummation of a Change of Control for so long as any of the Rating Agencies has publicly announced that it is considering a possible ratings change);

“**Redemption Amount**” means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Residual Call Early Redemption Amount, the Optional Redemption Amount (Put), the Change of Control Optional Redemption Amount, the Early Termination Amount, the Early Redemption Amount (Acquisition Event Call Option) or such other amount in the nature of a redemption amount as may be specified in the relevant Pricing Supplement;

“**Reference Price**” has the meaning given in the relevant Pricing Supplement;

“**Reference Rate**” has the meaning given in the relevant Pricing Supplement;

“**Reference Treasury**” has the meaning given in the relevant Pricing Supplement;

“**Regular Period**” means:

- (a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “Regular Date” means the day and month (but not the year) on which any Interest Payment Date falls; and
- (c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “**Regular Date**” means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

“**Relevant Date**” means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders in accordance with Condition 18 (*Notices*);

“**Relevant Indebtedness**” means any indebtedness of the relevant Issuer or the Guarantor or of any other person which is in the form of or represented by any bonds, notes, loan stock, depositary receipts or other securities which are intended by the relevant Issuer or the Guarantor to be, or are, with the consent or concurrence of the relevant Issuer or the Guarantor for the time being, quoted or listed on, or dealt in or traded on, any stock exchange, over-the-counter securities market or other organised securities market (whether or not initially distributed by means of a private placing) and any reference to a guarantee in respect of any Relevant Indebtedness shall include a reference to an indemnity being given in respect thereof;

“**Relevant Jurisdiction**” means the United Kingdom and the United States, or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the relevant Issuer or the Guarantor, as the case may be, becomes subject in respect of payments made by it of principal and interest on the Notes and Coupons;

“**Relevant Screen Page**” means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

“**Residual Call Early Redemption Amount**” has the meaning given in the relevant Pricing Supplement;

“**Specified Currency**” has the meaning given in the relevant Pricing Supplement;

“**Specified Denomination(s)**” has the meaning given in the relevant Pricing Supplement;

“**Specified Office**” has the meaning given in the Agency Agreement;

“**Specified Period**” has the meaning given in the relevant Pricing Supplement;

“**Subsidiary**” means, in relation to the relevant Issuer or the Guarantor, any company (i) in which the relevant Issuer or, as the case may be, the Guarantor holds a majority of the voting rights or (ii) of which the relevant Issuer or, as the case may be, the Guarantor is a member and

has the right to appoint or remove a majority of the board of directors or (iii) of which the relevant Issuer or, as the case may be, the Guarantor is a member and controls a majority of the voting rights, and includes any company which is a Subsidiary of a Subsidiary of the relevant Issuer or, as the case may be, the Guarantor;

“**T2**” means the real time gross settlement system operated by the Eurosystem, or any successor or replacement for that system;

“**Talon**” means a talon for further Coupons;

“**TARGET Business Day**” or “**TBD**” means any day on which T2 is open for the settlement of payments in euro;

“**TARGET Settlement Day**” means any day on which T2 is open for the settlement of payments in euro;

“**Tax**” means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure by the relevant Issuer to pay or any delay in paying by the relevant Issuer any of the same);

“**Treasury Publisher**” has the meaning given in the relevant Pricing Supplement;

“**Treaty**” means the Treaty on the functioning of the European Union, as amended;

“**U.S.**” means the United States of America;

“**Voting Stock**” means, with respect to any specified Person as of any date, the capital stock of such Person that is at the time entitled to vote generally in the election of the board of directors of such Person; and

“**Zero Coupon Note**” means a Note specified as such in the relevant Pricing Supplement.

(b) ***Interpretation***

In these Conditions:

- (i) if the Notes are Zero Coupon Notes or are Registered Notes, references to Coupons and Couponholders are not applicable;
- (ii) if Talons are specified in the relevant Pricing Supplement as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (iii) if Talons are not specified in the relevant Pricing Supplement as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 11 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 11 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (vi) references to Notes being “**outstanding**” shall be construed in accordance with the Trust Deed;
- (vii) if an expression is stated in Condition 2(a) (*Definitions*) to have the meaning given in the relevant Pricing Supplement, but the relevant Pricing Supplement gives no such meaning or specifies that such expression is “not applicable” then such expression is not applicable to the Notes;
- (viii) any reference to the Agency Agreement or the Trust Deed shall be construed as a reference to the Agency Agreement or the Trust Deed, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Notes; and
- (ix) any reference in these Conditions to any legislation or provision of any legislation (whether primary legislation or regulations or other subsidiary legislation made

pursuant to primary legislation) shall be construed as a reference to such legislation or provision as the same may have been, or may from time to time be, amended or re-enacted.

3. **Form, Denomination, Title and Transfer**

- (a) *Bearer Notes*: Bearer Notes are in bearer form in the Specified Denomination(s) with Coupons and, if specified in the relevant Pricing Supplement, Talons attached at the time of issue. In the case of a Series of Bearer Notes with more than one Specified Denomination, Bearer Notes of one Specified Denomination will not be exchangeable for Bearer Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and vice versa.
- (b) *Title to Bearer Notes*: Title to the Bearer Notes and the Coupons will pass by delivery. In the case of Bearer Notes, “**Holder**” means the holder of such Bearer Note and “**Noteholder**” and “**Couponholder**” shall be construed accordingly.
- (c) *Registered Notes*: Registered Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Pricing Supplement and higher integral multiples of a smaller amount specified in the relevant Pricing Supplement.
- (d) *Title to Registered Notes*: The Registrar will maintain the register in accordance with the provisions of the Agency Agreement. A certificate (each, a “**Note Certificate**”) will be issued to each Holder of Registered Notes in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register. In the case of Registered Notes, “**Holder**” means the person in whose name such Registered Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and “**Noteholder**” shall be construed accordingly.
- (e) *Ownership*: The Holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Notes, on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder accordingly. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.
- (f) *Transfers of Registered Notes*: Subject to paragraphs 3(i) (*Closed periods*), 3(j) (*Regulations concerning transfers and registration*) and 3(k) (*Registration of transfer upon partial redemption*) below, a Registered Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; **provided, however, that** a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Registered Notes not transferred are Specified Denominations. Where not all the Registered Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor.
- (g) *Registration and delivery of Note Certificates*: Within five business days of the surrender of a Note Certificate in accordance with paragraph (f) (*Transfers of Registered Notes*) above (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Registered Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, “**business day**” means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

- (h) *No charge*: The transfer of a Registered Note will be effected without charge by or on behalf of the relevant Issuer or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.
- (i) *Closed periods*: Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes.
- (j) *Regulations concerning transfers and registration*: All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the relevant Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.
- (k) *Registration of transfer upon partial redemption*: In the event of a partial redemption of Registered Notes under Condition 9 (*Redemption and Purchase*), the relevant Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

4. **Status of the Notes and Guarantee**

The Notes and the Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 5 (*Negative Pledge*)) unsecured obligations of the relevant Issuer and rank and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the relevant Issuer, from time to time outstanding.

The obligations of the Guarantor under the Guarantee constitute direct, general, unsubordinated and unconditional obligations of the Guarantor which will at all times rank *pari passu* with all other present and future unsecured obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

5. **Negative Pledge**

So long as any of the Notes remains outstanding, the Guarantor will not, and will not permit any Material Company to, create or permit to arise or subsist any Relevant Indebtedness or grant or permit to subsist any guarantee of any Relevant Indebtedness, which Relevant Indebtedness or guarantee of Relevant Indebtedness is secured by any mortgage, pledge or other charge upon any of the present or future assets or revenues (including uncalled capital) of the Guarantor or such Material Company, unless in any such case as aforesaid simultaneously with, or prior to the creation of such security, there shall be taken any and all action necessary to procure that such security is extended equally and rateably to all amounts payable in respect of the Notes, the Coupons, the Guarantee and under the Trust Deed to the satisfaction of the Trustee, or such other security is provided as the Trustee shall in its absolute discretion deem to be not materially less beneficial to the interests of the Noteholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

6. **Fixed Rate Note Provisions**

(a) ***Application***

This Condition 6 is applicable to the Notes only if the Fixed Rate Note provisions are specified in the relevant Pricing Supplement as being applicable.

(b) ***Accrual of interest***

The Notes bear interest from (and including) the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10(1) (*Payments – Bearer Notes*) or Condition 10(2) (*Payments – Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to

that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent or the Registrar, as the case may be, has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) ***Fixed Coupon Amount***

Except as provided in the relevant Pricing Supplement, the amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination. Payments of interest on any Interest Payment Date will, if so specified in the relevant Pricing Supplement, amount to the Broken Amount so specified.

(d) ***Calculation of interest amount***

The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount or Broken Amount is not specified shall be calculated by applying the Rate of Interest to:

- (i) in the case of Notes which are Registered Notes, the aggregate outstanding nominal amount of such Registered Notes; or
- (ii) in the case of Notes which are Bearer Notes, the Calculation Amount,

and, in each case, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards or otherwise in accordance with applicable market convention). For this purpose a “**sub-unit**” means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

Where the Specified Denomination of a Note which is a Bearer Note is a multiple of the Calculation Amount, the amount of interest payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

7. **Floating Rate Note Provisions**

(a) **Application**

This Condition 7 is applicable to the Notes only if the Floating Rate Note provisions are specified in the relevant Pricing Supplement as being applicable.

(b) **Accrual of Interest**

The Notes bear interest from (and including) the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10(1) (*Payments – Bearer Notes*) or Condition 10(2) (*Payments – Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 7 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent or the Registrar, as the case may be, has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) **Rate of Interest**

The Rate of Interest payable from time to time in respect of the Notes will be determined in the manner specified in the relevant Pricing Supplement.

(i) **Screen Rate Determination – Term Rate**

This Condition 7(c)(i) applies where the relevant Pricing Supplement specifies “*Term Rate*” to be ‘Applicable’.

(A) The Rate of Interest for each Interest Period will, subject to Condition 7(i) and as provided below, be either:

(I) the offered quotation (if there is only one quotation on the Relevant Screen Page); or

(II) the arithmetic mean (rounded upwards if necessary to the nearest 0.0001 per cent.) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being EURIBOR) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) at 11.00 a.m. (Brussels time) (the “**Specified Time**”) on the Interest Determination Date in question plus or minus (as indicated in the relevant Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

(B) If the Relevant Screen Page is not available or if sub-paragraph (A)(I) above applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (A)(II) above applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, the relevant Issuer, or an agent appointed by it, shall, if applicable, request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate as at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded as provided above) of such offered quotations (excluding, if four or more of the Reference Banks provide the Calculation Agent with such quotations and the offered quotations of all such Reference Banks are not the same, the highest and lowest quotations and, if the highest quotation and/or the lowest quotation applies in respect of more than one such Reference Bank, excluding such highest and/or lowest quotation in respect of one such Reference Bank) plus or minus (as indicated in the relevant Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent.

(C) If on any Interest Determination Date only one or none of the Reference Banks provides the Calculation Agent with such an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being either:

(I) the arithmetic mean (rounded as provided above) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date (or if such date is not a Business Day, on the immediately preceding Business Day), deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Euro-zone inter-bank market plus

or minus (as indicated in the relevant Pricing Supplement) the Margin (if any); or

- (II) in the event that the Calculation Agent can determine no such arithmetic mean, the lowest lending rate for lending amounts in the Specified Currency for a period equal to that which would have been used for the Reference Rate at which at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the relevant Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in the Euro-zone inter-bank market, plus or minus (as indicated in the relevant Pricing Supplement) the Margin (if any),

provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions, the Rate of Interest shall be:

- I. that determined as at the last preceding Interest Determination Date on which the Rate of Interest was so determined (though substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to the relevant Interest Period in place of the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to that last preceding Interest Period) or;
- II. if there is no such preceding Interest Determination Date, the initial Rate of Interest (but substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest is/are to be applied to the relevant Interest Period from that which applied to the initial Interest Period, the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to the relevant Interest Period in place of the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to that initial Interest Period) or, in the case of Notes with an Interest Basis that converts from a Fixed Rate to a Floating Rate, the Fixed Rate of Interest applicable to such Notes immediately prior to conversion of the Interest Basis.

“Reference Banks” means, in the context of Condition 7(c)(i)(A)(I), those banks whose offered rates were used to determine the offered quotation referred to in such Condition when such offered quotation last appeared on the Relevant Screen Page and, in the context of Condition 7(c)(i)(A)(II), those banks whose offered quotations last appeared on the Relevant Screen Page when no fewer than three such offered quotations appeared.

(ii) ***Screen Rate Determination – Overnight Rate - Compounded Daily SONIA - Non-Index Determination***

This Condition 7(c)(ii) applies where the relevant Pricing Supplement specifies: (1) **“Overnight Rate”** to be ‘Applicable’; (2) **“Compounded Daily SONIA”** as the Reference Rate; and (3) **“Index Determination”** to be ‘Not Applicable’.

- (A) The Rate of Interest for an Interest Accrual Period will, subject to Condition 7(i) and as provided below, be Compounded Daily SONIA with respect to such Interest Accrual Period plus or minus (as indicated in the relevant Pricing Supplement) the applicable Margin (if any), all as determined by the Calculation Agent.

“Compounded Daily SONIA” means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest)

as calculated by the Calculation Agent as at the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded if necessary to the nearest fifth decimal place, with 0.000005 being rounded upwards):

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{SONIA_i \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

where:

“*d*” is the number of calendar days in:

- (i) where “Lag” is specified as the Observation Method in the relevant Pricing Supplement, the relevant Interest Accrual Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period;

“*D*” is the number specified as such in the relevant Pricing Supplement (or, if no such number is specified, 365);

“*d_o*” means:

- (i) where “Lag” is specified as the Observation Method in the relevant Pricing Supplement, the number of London Banking Days in the relevant Interest Accrual Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Pricing Supplement, the number of London Banking Days in the relevant Observation Period;

“*i*” is a series of whole numbers from one to “*d_o*”, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day to, and including, the last London Banking Day, in:

- (i) where “Lag” is specified as the Observation Method in the relevant Pricing Supplement, the relevant Interest Accrual Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period;

“**London Banking Day**” means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

“*n_i*” for any London Banking Day “*i*”, means the number of calendar days from (and including) such London Banking Day “*i*” up to (but excluding) the following London Banking Day;

“**Observation Period**” means the period from (and including) the date falling “*p*” London Banking Days prior to the first day of the relevant Interest Accrual Period to (but excluding) the date falling “*p*” London Banking Days prior to (A) (in the case of an Interest Period) the Interest Payment Date for such Interest Period or (B) (in the case of any other Interest Accrual Period) the date on which the relevant payment of interest falls due;

“*p*” means:

- (i) where “Lag” is specified as the Observation Method in the relevant Pricing Supplement, the number of London Banking Days specified as the “Lag Period” in the relevant Pricing Supplement (or, if no such number is so specified, five London Banking Days); or

- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Pricing Supplement, the number of London Banking Days specified as the “Observation Shift Period” in the relevant Pricing Supplement (or, if no such number is specified, five London Banking Days);

the “**SONIA reference rate**”, in respect of any London Banking Day (“**LBD_x**”), is a reference rate equal to the daily Sterling Overnight Index Average (“**SONIA**”) rate for such **LBD_x** as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page (or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) on the London Banking Day immediately following **LBD_x**; and

“**SONIA_i**” means the SONIA reference rate for:

- (i) where “Lag” is specified as the Observation Method in the relevant Pricing Supplement, the London Banking Day falling “*p*” London Banking Days prior to the relevant London Banking Day “*t*”; or
 - (ii) where “Observation Shift” is specified as the Observation Method in the relevant Pricing Supplement, the relevant London Banking Day “*t*”.
- (B) Subject to Condition 7(i), if, where any Rate of Interest is to be calculated pursuant to Condition 7(c)(ii)(A) above, in respect of any London Banking Day on which an applicable SONIA reference rate is required to be determined, such SONIA reference rate is not made available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, then the SONIA reference rate in respect of such London Banking Day shall be the rate determined by the Calculation Agent as:
- (I) the sum of (i) the Bank of England’s Bank Rate (the “**Bank Rate**”) prevailing at 5.00 p.m. (London time) (or, if earlier, close of business) on such London Banking Day; and (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five London Banking Days in respect of which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads); or
 - (II) if the Bank Rate under (I)(i) above is not available at the relevant time, either (A) the SONIA reference rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day in respect of which the SONIA reference rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) or (B) if this is more recent, the latest rate determined under (I) above,

and, in each case, references to “SONIA reference rate” in Condition 7(c)(ii)(A) above shall be construed accordingly.

- (C) In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 7(c)(ii), and without prejudice to Condition 7(i), the Rate of Interest shall be:
- (I) that determined as at the last preceding Interest Determination Date on which the Rate of Interest was so determined (though substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to the relevant Interest Accrual Period, in place of the

Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to that last preceding Interest Accrual Period); or

- (II) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first scheduled Interest Period had the Notes been in issue for a period equal in duration to the first scheduled Interest Period but ending on (and excluding) the Interest Commencement Date (applying the Margin and, if applicable, any Maximum Rate of Interest and/or Minimum Rate of Interest, applicable to the first scheduled Interest Period),

in each case as determined by the Calculation Agent.

(iii) **Screen Rate Determination – Overnight Rate - Compounded Daily SONIA - Index Determination**

This Condition 7(c)(iii) applies where the relevant Pricing Supplement specifies: (1) “Overnight Rate” to be ‘Applicable’; (2) “Compounded Daily SONIA” as the Reference Rate; and (3) “Index Determination” to be ‘Applicable’.

- (A) The Rate of Interest for an Interest Accrual Period will, subject to Condition 7(i) and as provided below, be the Compounded Daily SONIA Rate with respect to such Interest Accrual Period plus or minus (as indicated in the relevant Pricing Supplement) the applicable Margin (if any), all as determined by the Calculation Agent.

“**Compounded Daily SONIA Rate**” means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) (expressed as a percentage and rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) determined by the Calculation Agent by reference to the screen rate or index for compounded daily SONIA rates administered by the administrator of the SONIA reference rate that is published or displayed on the Relevant Screen Page specified in the relevant Pricing Supplement or, if no such page is so specified or if such page is unavailable at the relevant time, as otherwise published or displayed by such administrator or other information service from time to time on the relevant Interest Determination Date (the “**SONIA Compounded Index**”), and in accordance with the following formula:

Compounded Daily SONIA Rate =

$$\left(\frac{SONIA \text{ Compounded Index}_{End}}{SONIA \text{ Compounded Index}_{Start}} - 1 \right) \times \frac{360}{d}$$

where:

“*d*” is the number of calendar days from (and including) the day in relation to which SONIA Compounded Index_{Start} is determined to (but excluding) the day in relation to which SONIA Compounded Index_{End} is determined;

“**London Banking Day**” means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

“**Relevant Number**” is the number specified as such in the relevant Pricing Supplement (or, if no such number is specified, five);

“**SONIA Compounded Index_{Start}**” means, with respect to an Interest Accrual Period, the SONIA Compounded Index determined in relation to the day falling the Relevant Number of London Banking Days prior to the first day of such Interest Accrual Period; and

“**SONIA Compounded Index_{End}**” means, with respect to an Interest Accrual Period, the SONIA Compounded Index determined in relation to the day falling the Relevant Number of London Banking Days prior to (A) the Interest Payment Date for such Interest Accrual Period, or (B) such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Accrual Period).

- (B) If the relevant SONIA Compounded Index is not published or displayed by the administrator of the SONIA reference rate or other information service by 5.00 p.m. (London time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the administrator of the SONIA reference rate or of such other information service, as the case may be) on the relevant Interest Determination Date, the Compounded Daily SONIA Rate for the applicable Interest Accrual Period for which the SONIA Compounded Index is not available shall be “Compounded Daily SONIA” determined in accordance with Condition 7(c)(ii) above as if “*Index Determination*” were specified in the relevant Pricing Supplement as being ‘Not Applicable’, and for these purposes: (i) the “*Observation Method*” shall be deemed to be “*Observation Shift*” and (ii) the “*Observation Shift Period*” shall be deemed to be equal to the Relevant Number of London Banking Days, as if those alternative elections had been made in the relevant Pricing Supplement.

(iv) **Screen Rate Determination – Overnight Rate – SOFR – Non-Index Determination**

This Condition 7(c)(iv) applies where the relevant Pricing Supplement specifies: (1) “*Overnight Rate*” to be ‘Applicable’; (2) “*Compounded Daily SOFR*” as the Reference Rate; and (3) “*Index Determination*” to be ‘Not Applicable’.

Where the relevant Pricing Supplement specifies the Reference Rate to be “*Compounded Daily SOFR*”, the provisions of paragraph (A) below of this Condition 7(c)(iv) apply.

(A) **Compounded Daily SOFR**

The Rate of Interest for an Interest Accrual Period will, subject to Condition 7(i) and as provided below, be Compounded Daily SOFR with respect to such Interest Accrual Period plus or minus (as indicated in the relevant Pricing Supplement) the applicable Margin (if any), all as determined by the Calculation Agent.

“**Compounded Daily SOFR**” means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment (with the daily U.S. dollars secured overnight financing rate as reference rate for the calculation of interest) as calculated by the Calculation Agent as at the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded if necessary to the nearest fifth decimal place, with 0.000005 being rounded upwards):

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{SOFR_i \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

where:

“*d*” is the number of calendar days in:

- (i) where “Lag” is specified as the Observation Method in the relevant Pricing Supplement, the relevant Interest Accrual Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period;

“**D**” is the number specified as such in the relevant Pricing Supplement (or, if no such number is specified, 360);

“***d_o***” means:

- (i) where “Lag” is specified as the Observation Method in the relevant Pricing Supplement, the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Pricing Supplement, the number of U.S. Government Securities Business Days in the relevant Observation Period;

“***t***” is a series of whole numbers from one to “***d_o***”, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in:

- (i) where “Lag” is specified as the Observation Method in the relevant Pricing Supplement, the relevant Interest Accrual Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period;

“**New York Fed’s Website**” means the website of the Federal Reserve Bank of New York (or a successor administrator of SOFR) or any successor source;

“***n_i***” for any U.S. Government Securities Business Day “***t***”, means the number of calendar days from (and including) such U.S. Government Securities Business Day “***t***” up to (but excluding) the following U.S. Government Securities Business Day;

“**Observation Period**” means the period from (and including) the date falling “***p***” U.S. Government Securities Business Days prior to the first day of the relevant Interest Accrual Period to (but excluding) the date falling “***p***” U.S. Government Securities Business Days prior to (A) (in the case of an Interest Period) the Interest Payment Date for such Interest Period or (B) (in the case of any other Interest Accrual Period) the date on which the relevant payment of interest falls due;

“***p***” means:

- (i) where “Lag” is specified as the Observation Method in the relevant Pricing Supplement, the number of U.S. Government Securities Business Days specified as the “Lag Period” in the relevant Pricing Supplement (or, if no such number is so specified, five U.S. Government Securities Business Days); or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Pricing Supplement, the number of U.S. Government Securities Business Days specified as the “Observation Shift Period” in the relevant Pricing Supplement (or, if no such number is specified, five U.S. Government Securities Business Days);

“**Reference Day**” means each U.S. Government Securities Business Day in the relevant Interest Accrual Period;

“**SOFR**” in respect of any U.S. Government Securities Business Day (“**USBD_x**”), is a reference rate equal to the daily secured overnight financing rate as provided by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate) on the New York Fed’s Website, in each case at or around 3.00 p.m. (New York City time) on the U.S. Government Securities Business Day immediately following such USBD_x;

“**SOFR_i**” means the SOFR for:

- (i) where “Lag” is specified as the Observation Method in the relevant Pricing Supplement, the U.S. Government Securities Business Day falling “*p*” U.S. Government Securities Business Days prior to the relevant U.S. Government Securities Business Day “*t*”; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Pricing Supplement, the relevant U.S. Government Securities Business Day “*t*”; and

“**U.S. Government Securities Business Day**” means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(B) *SOFR Unavailable*

Subject to Condition 7(i), if, where any Rate of Interest is to be calculated pursuant to this Condition 7(c)(iv), in respect of any U.S. Government Securities Business Day in respect of which an applicable SOFR is required to be determined, such SOFR is not available, such SOFR shall be the SOFR for the first preceding U.S. Government Securities Business Day in respect of which the SOFR was published on the New York Fed’s Website.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 7(c)(iv) but without prejudice to Condition 7(i), the Rate of Interest shall be calculated in accordance, *mutatis mutandis*, with the provisions of Condition 7(c)(ii).

(v) **Screen Rate Determination – Overnight Rate - SOFR - Index Determination**

This Condition 7(c)(v) applies where the relevant Pricing Supplement specifies: (1) “*Overnight Rate*” to be ‘Applicable’; (2) “*Compounded Daily SOFR*” as the Reference Rate; and (2) “*Index Determination*” to be ‘Applicable’.

- (A) The Rate of Interest for an Interest Accrual Period will, subject to Condition 7(i) and as provided below, be the Compounded SOFR with respect to such Interest Accrual Period plus or minus (as indicated in the relevant Pricing Supplement) the applicable Margin (if any), all as determined by the Calculation Agent.

“**Compounded SOFR**” means, with respect to an Interest Accrual Period, the rate (expressed as a percentage and rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) determined by the Calculation Agent in accordance with the following formula:

$$\left(\frac{SOFRIndex_{End}}{SOFRIndex_{start}} - 1 \right) \times \frac{360}{d_c}$$

where:

“**d_c**” is the number of calendar days from (and including) the day in relation to which SOFR Index_{Start} is determined to (but excluding) the day in relation to which SOFR Index_{End} is determined;

“**Relevant Number**” is the number specified as such in the relevant Pricing Supplement (or, if no such number is specified, five);

“**SOFR**” means the daily secured overnight financing rate as provided by the SOFR Administrator on the SOFR Administrator’s Website;

“**SOFR Administrator**” means the Federal Reserve Bank of New York (or a successor administrator of SOFR);

“**SOFR Administrator’s Website**” means the website of the SOFR Administrator, or any successor source;

“**SOFR Index**”, with respect to any U.S. Government Securities Business Day, means the SOFR index value as published by the SOFR Administrator as such index appears on the SOFR Administrator’s Website at or around 3.00 p.m. (New York time) on such U.S. Government Securities Business Day (the “**SOFR Determination Time**”);

“**SOFR Index_{Start}**”, with respect to an Interest Accrual Period, is the SOFR Index value for the day which is the Relevant Number of U.S. Government Securities Business Days preceding the first day of such Interest Accrual Period;

“**SOFR Index_{End}**”, with respect to an Interest Accrual Period, is the SOFR Index value for the day which is the Relevant Number of U.S. Government Securities Business Days preceding (A) the Interest Payment Date for such Interest Accrual Period, or (B) such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Accrual Period); and

“**U.S. Government Securities Business Day**” means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

- (B) If, as at any relevant SOFR Determination Time, the relevant SOFR Index is not published or displayed on the SOFR Administrator’s Website by the SOFR Administrator, the Compounded SOFR for the applicable Interest Accrual Period for which the relevant SOFR Index is not available shall be “Compounded Daily SOFR” determined in accordance with Condition 7(c)(iv) above as if “*Index Determination*” were specified in the relevant Pricing Supplement as being ‘Not Applicable’, and for these purposes: (i) the “*Observation Method*” shall be deemed to be “*Observation Shift*” and (ii) the “*Observation Shift Period*” shall be deemed to be equal to the Relevant Number of U.S. Government Securities Business Days, as if such alternative elections had been made in the relevant Pricing Supplement.

(vi) **Screen Rate Determination – Overnight Rate – €STR – Index Determination**

This Condition 7(c)(vi) applies where the relevant Pricing Supplement specifies: (1) “*Overnight Rate*” to be ‘Applicable’; (2) “*Compounded Daily €STR*” as the Reference Rate; and (3) “*Index Determination*” to be ‘Applicable’.

The Rate of Interest for an Interest Accrual Period will, subject to Condition 7(i) and as provided below, be the €STR Compounded Index Rate with respect to such Interest Accrual Period plus or minus (as indicated in the applicable Pricing Supplement) the applicable Margin (if any), all as determined by the Principal Paying Agent or the Calculation Agent, as applicable.

“**€STR Compounded Index Rate**” means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment in euro as calculated by the Principal Paying Agent or the Calculation Agent, as applicable, on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest fifth decimal place, with 0.000005 being rounded upwards):

$$\left(\frac{\text{€STR Compounded Index}_{\text{End}}}{\text{€STR Compounded Index}_{\text{Start}}} - 1 \right) \times \frac{360}{d}$$

where:

“**€STR Compounded Index_{End}**” means the €STR Compounded Index value relating to the TARGET Business Day falling the Relevant Number of TARGET Business Days prior to (I) the Interest Payment Date for the relevant Interest Accrual Period or

(II) if applicable, the relevant payment date if the Notes become due and payable on a date other than an Interest Payment Date;

“**€STR Compounded Index_{Start}**” means the €STR Compounded Index value relating to the TARGET Business Day falling the Relevant Number of TARGET Business Days prior to the first day of the relevant Interest Accrual Period;

the “**€STR Compounded Index**” means, with respect to any TARGET Business Day, the value of the €STR Compounded Index that is published by the European Central Bank as the administrator of such rate (or any successor administrator of such rate), on the website of the European Central Bank or any successor website, in respect of such TARGET Business Day at or around 9.00 a.m. (Frankfurt time) on such TARGET Business Day (the “**€STR Determination Time**”);

“**d**” is the number of calendar days from (and including) the day in relation to which “**€STR Compounded Index_{Start}**” is determined to (but excluding) the day in relation to which “**€STR Compounded Index_{End}**” is determined (being the number of calendar days in the applicable reference period); and

“**Relevant Number**” is as specified in the applicable Pricing Supplement.

If, as at any relevant €STR Determination Time, the relevant €STR Compounded Index required to determine €STR Compounded Index_{Start} or €STR Compounded Index_{End} is not published or displayed by the European Central Bank as the administrator of the €STR reference rate (or any successor administrator of such rate) on the website of the European Central Bank or any successor website, the €STR Compounded Index Rate for the applicable Interest Accrual Period for which the €STR Compounded Index is not available shall be the “**Compounded Daily €STR Formula Rate**” determined in accordance with Condition 7(c)(vii) below as if “*Index Determination*” were specified in the relevant Pricing Supplement as being “**Not Applicable**”, and for these purposes: (i) the “*Observation Method*” shall be deemed to be “**Observation Shift**”, and (ii) the “*Observation Shift Period*” shall be deemed to be equal to the Relevant Number of TARGET Business Days, as if those alternative elections had been made in the applicable Pricing Supplement.

(vii) **Screen Rate Determination – Overnight Rate – €STR – Non-Index Determination**

This Condition 7(c)(vii) applies where the applicable Pricing Supplement specifies: (1) “**Overnight Rate**” to be ‘Applicable’; (2) “**Compounded Daily €STR**” as the Reference Rate; and (3) “*Index Determination*” to be ‘Not Applicable’.

The Rate of Interest for an Interest Accrual Period will, subject to Condition 7(i) and as provided below, be the Compounded Daily €STR Formula Rate with respect to such Interest Accrual Period plus or minus (as indicated in the applicable Pricing Supplement) the applicable Margin (if any), all as determined by the Principal Paying Agent or the Calculation Agent, as applicable.

“**Compounded Daily €STR Formula Rate**” means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment in euro (with the daily euro short-term rate as the reference rate for the calculation of interest) as calculated by the Principal Paying Agent or the Calculation Agent, as applicable, on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest fifth decimal place, with 0.000005 being rounded upwards):

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{\text{€STR}_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

“**€STR reference rate**” means, in respect of any TARGET Business Day, a reference rate equal to the daily €STR for such TARGET Business Day, as provided by the European Central Bank as the administrator of €STR (or any successor administrator of such rate) on the website of the European Central Bank (or, if no longer published on its website, as otherwise published by it or provided by it to authorised distributors, or as otherwise published by such authorised distributors) on the TARGET Business Day immediately following such TARGET Business Day (in each case at the time specified by, or determined in accordance with, the applicable methodology, policies or guidelines, of the European Central Bank or the successor administrator of €STR);

“**€STR_i**” means, in respect of any TARGET Business Day “i”:

- (i) where “Lag” is specified as the Observation Method in the applicable Pricing Supplement, the €STR reference rate in respect of the TARGET Business Day falling “p” TARGET Business Days prior to the relevant TARGET Business Day “i”; or
- (ii) where “Observation Shift” is specified as the Observation Method in the applicable Pricing Supplement, the €STR reference rate in respect of the relevant TARGET Business Day “i”;

“***d***” is the number of calendar days in:

- (i) where “Lag” is specified as the Observation Method in the applicable Pricing Supplement, the relevant Interest Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the applicable Pricing Supplement, the relevant Observation Period;

“***D***” is the number specified as such in the relevant Pricing Supplement (or, if no such number is specified, 360);

“***d_o***” means:

- (i) where “Lag” is specified as the Observation Method in the relevant Pricing Supplement, the number of TARGET Business Days in the relevant Interest Accrual Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Pricing Supplement, the number of TARGET Business Days in the relevant Observation Period;

“***T***” is a series of whole numbers from one to d_o , each representing the relevant TARGET Business Day in chronological order from, and including, the first TARGET Business Day in:

- (i) where “Lag” is specified as the Observation Method in the applicable Pricing Supplement, the relevant Interest Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the applicable Pricing Supplement, the relevant Observation Period;

“***n_i***” for any TARGET Business Day “i”, means the number of calendar days from (and including) such TARGET Business Day “i” up to (but excluding) the following TARGET Business Day;

“**Observation Period**” means, in respect of an Interest Accrual Period, the period from (and including) the date falling “p” TARGET Business Days prior to the first day of the relevant Interest Accrual Period to (but excluding) the date falling “p” TARGET Business Days prior to (I) the Interest Payment Date for such Interest Accrual Period or (II) if applicable, the relevant payment date if the Notes become due and payable on a date other than an Interest Payment Date; and

“***p***” means:

- (i) (where “Lag” is specified as the Observation Method in the applicable Pricing Supplement, the number of TARGET Business Days included in

the "Lag Period" in the applicable Pricing Supplement (or, if no such number is so specified, five TARGET Business Days); or

- (ii) where "Observation Shift" is specified as the Observation Method in the applicable Pricing Supplement, the number of TARGET Business Days included in the "Observation Shift Period" in the applicable Pricing Supplement (or, if no such number is so specified, five TARGET Business Days).

(viii) ***Interest Accrual Period***

As used herein, an "Interest Accrual Period" means (i) each Interest Period and (ii) any other period (if any) in respect of which interest is to be calculated, being the period from (and including) the first day of such period to (but excluding) the day on which the relevant payment of interest falls due (which, if the Notes become due and payable in accordance with Condition 12 (*Events of Default*), shall be the date on which the Notes become due and payable).

(ix) ***Determination of Rate of Interest following acceleration***

If the Notes become due and payable in accordance with Condition 12 (*Events of Default*), then:

- (A) if the relevant Pricing Supplement specifies "Overnight Rate" to be 'Applicable', the final Rate of Interest shall be calculated for the Interest Accrual Period to (but excluding) the date on which the Notes become so due and payable; and
- (B) in all other cases, the Rate of Interest applicable to the Notes from time to time shall continue to be calculated in accordance with Clause 2.1 of the Trust Deed, and (in either case) such Rate of Interest shall continue to apply to the Notes for so long as interest continues to accrue thereon as provided in Condition 7(b) (*Accrual of Interest*) and the Trust Deed.

(d) **Minimum and/or Maximum Rate of Interest**

If the relevant Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period and if, but for this Condition 7(d), the Rate of Interest determined for such Interest Period (or any Interest Accrual Period falling within such Interest Period) would be less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period (or such Interest Accrual Period falling within such Interest Period) shall be equal to such Minimum Rate of Interest.

If the relevant Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period and if, but for this Condition 7(d), the Rate of Interest for such Interest Period (or any Interest Accrual Period falling within such Interest Period) would be greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period (or such Interest Accrual Period falling within such Interest Period) shall be equal to such Maximum Rate of Interest.

(e) **Determination of Rate of Interest and calculation of Interest Amount**

The Calculation Agent will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period (or other Interest Accrual Period).

The Calculation Agent will calculate the Interest Amount for the relevant Interest Period (or other Interest Accrual Period). Each Interest Amount shall be calculated by applying the Rate of Interest for such Interest Period (or other Interest Accrual Period) to:

- (A) in the case of Registered Notes, the aggregate outstanding nominal amount of such Registered Notes; or
- (B) in the case of Bearer Notes, the Calculation Amount;

and, in each case, multiplying such sum by the Day Count Fraction, rounding resultant figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards or otherwise in accordance with applicable market convention).

Where the Specified Denomination of a Note which is a Bearer Note is a multiple of the Calculation Amount, the amount of interest payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

(f) **Linear Interpolation**

Where Linear Interpolation is specified as “Applicable” in respect of an Interest Period in the relevant Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate, which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which rates are available next longer than the length of the relevant Interest Period; *provided however* that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate for the purposes of the calculation of the Rate of Interest.

“Designated Maturity” means the period of time designated in the Reference Rate.

(g) **Notification of Rate of Interest and Interest Amounts**

(A) Except where the relevant Pricing Supplement specifies “*Overnight Rate*” to be ‘Applicable’, the Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Trustee and to any listing authority, stock exchange and/or quotation system to which the Notes have then been admitted to listing, trading and/or quotation (by no later than the first day of each Interest Period) and notice thereof to be published in accordance with Condition 18 (*Notices*) as soon as possible after their determination but in no event later than the fourth Business Day (as defined in Condition 2(a) (*Definitions*) above) thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment or alternative arrangements will promptly be notified to each listing authority, stock exchange and/or quotation system to which the Notes have then been admitted to listing, trading and/or quotation and to the Noteholders in accordance with Condition 18 (*Notices*).

(B) Where the relevant Pricing Supplement specifies “*Overnight Rate*” to be ‘Applicable’, the Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Accrual Period and the relevant Interest Payment Date to be notified to the Trustee and to any listing authority, stock exchange and/or quotation system to which the Notes have then been admitted to listing, trading and/or quotation (by no later than the first day of each Interest Period) and notice thereof to be published in accordance with Condition 18 (*Notices*) as soon as possible after their determination but in no event later than the second Business Day thereafter. Each Rate of Interest, Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the relevant Interest Accrual Period. Any such amendment or alternative arrangements will promptly be notified to each listing authority, stock exchange and/or quotation system to which the Notes have then been admitted to listing, trading and/or quotation and to the Noteholders in accordance with Condition 18 (*Notices*).

(h) **Certificates to be final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition

7, by the Calculation Agent, shall (in the absence of manifest error) be binding on the relevant Issuer, the Guarantor, the Agent, the Calculation Agent, the Trustee, the other Paying Agents and all Noteholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the relevant Issuer, the Noteholders or the Couponholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(i) **Benchmark Discontinuation**

(a) *Benchmark Replacement*

This Condition 7(i)(a) applies to Notes other than where the relevant Pricing Supplement specifies “Compounded Daily SOFR” as the Reference Rate.

If the relevant Issuer, in consultation with the Calculation Agent, determines that a Benchmark Event has occurred in relation to an Original Reference Rate at any time when these Conditions provide for any Rate of Interest (or any component part thereof) to be determined by reference to such Original Reference Rate, then the following provisions shall apply.

(i) *Independent Adviser*

The relevant Issuer shall use reasonable endeavours to appoint an Independent Adviser to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 7(i)(a)(ii)) and, in either case, the applicable Adjustment Spread (in accordance with Condition 7(i)(a)(iii)) and any Benchmark Amendments (in accordance with Condition 7(i)(a)(iv)) no later than 5 Business Days prior to the Interest Determination Date relating to the next succeeding Interest Period (the “**IA Determination Cut-off Date**”) for purposes of determining the Rate of Interest (or a relevant component part thereof) applicable to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 7(i)(a)).

If, the relevant Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate or, in either case, an applicable Adjustment Spread, prior to the IA Determination Cut-off Date, the provisions of Condition 7(i)(f) below shall apply.

(ii) *Successor Rate or Alternative Rate*

If the Independent Adviser determines in good faith that:

- (A) there is a Successor Rate, then such Successor Rate shall (as adjusted by the applicable Adjustment Spread determined as provided in Condition 7(i)(a)(iii)) subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 7(i)); or
- (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (as adjusted by the applicable Adjustment Spread determined as provided in Condition 7(i)(a)(iii)) subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 7(i)).

(iii) *Adjustment Spread*

If a Successor Rate or Alternative Rate is determined in accordance with the foregoing provisions, the Independent Adviser will determine in good faith the Adjustment Spread (which may be expressed as a specified quantum of, or a formula or methodology for determining, such Adjustment Spread) to be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or a relevant component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

(iv) *Benchmark Amendments*

If any Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread is determined in accordance with this Condition 7(i) and the Independent Adviser determines in good faith (A) that amendments to these Conditions, the Trust Deed and/or the Agency

Agreement (including, without limitation, amendments to the definitions of Day Count Fraction, Business Days or Relevant Screen Page) are necessary to ensure the proper operation (having regard to prevailing market practice, if any) of such Successor Rate, Alternative Rate and (in either case) the applicable Adjustment Spread (such amendments, the “**Benchmark Amendments**”) and (B) the terms of the Benchmark Amendments, then the relevant Issuer shall, subject to giving notice thereof in accordance with Condition 7(i)(c), without any requirement for the consent or approval of Noteholders or Couponholders, vary these Conditions, the Trust Deed and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the relevant Issuer, but subject to receipt by the Trustee of a certificate signed by two Authorised Signatories of the relevant Issuer pursuant to Condition 7(i)(c), the Trustee shall (at the relevant Issuer’s expense), without any requirement for the consent or approval of the Noteholders or Couponholders, be obliged to concur with the relevant Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed or agreement supplemental to or amending the Trust Deed and/or the Agency Agreement (as applicable)) and the Trustee shall not be liable to any party for any consequences thereof, provided that the Trustee shall not be obliged so to concur if in the sole opinion of the Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend rights and/or the protective provisions afforded to the Trustee in these Conditions, the Trust Deed and/or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed and/or agency agreement) in any way.

In connection with any such variation in accordance with this Condition 7(i), the relevant Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(v) *Definitions*

As used in this Condition 7(i)(a):

“**Adjustment Spread**” means either a spread (which may be positive, negative or zero), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser acting in good faith determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (A) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (B) if no such recommendation has been made or option provided, or in the case of an Alternative Rate, the Independent Adviser acting in good faith, determines is recognised or acknowledged as being in customary market usage (or reflects an industry-accepted rate, formula or methodology) in the international debt capital market transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (C) (if no such customary market usage is recognised or acknowledged) the Independent Adviser acting in good faith determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (D) (if no such industry standard is recognised or acknowledged) the Independent Adviser acting in good faith determines to be appropriate to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be);

“**Alternative Rate**” means an alternative benchmark or screen rate which the Independent Adviser acting in good faith determines in accordance with this Condition 7(i)(a) has replaced the Original Reference Rate in customary market usage, or is an industry-accepted rate, in the

international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for a commensurate interest period and in the same Specified Currency as the Notes or, if the Independent Adviser determines there is no such rate, such other rate as the Independent Adviser acting in good faith determines is most comparable to the Original Reference Rate;

“**Benchmark Event**” means, with respect to an Original Reference Rate, any one or more of the following:

- (A) the Original Reference Rate ceasing to exist, be permanently administered or be published (in the latter case, for a period of at least 5 Business Days);
- (B) the later of (i) the making of a public statement by the administrator or an insolvency official with jurisdiction over the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (ii) the date falling six months prior to the date specified in (B)(i);
- (C) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued;
- (D) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (ii) the date falling six months prior to the date specified in (D)(i) above;
- (E) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case on or before a specified date and (ii) the date falling six months prior to the date specified in (E)(i);
- (F) it has or will prior to the next Interest Determination Date become unlawful for the relevant Issuer, the Calculation Agent, any Paying Agent or other party to calculate any payments due to be made to any Noteholder or Couponholder using the Original Reference Rate (including, without limitation, under the Regulation (EU) 2016/1011 as that Regulation applies in the European Union and/or as it applies in the United Kingdom in the form retained as domestic law of the United Kingdom under the European Union (Withdrawal) Act 2018, as amended, if applicable); or
- (G) the making of a public statement by the supervisor of the administrator of such Original Reference Rate announcing that such Original Reference Rate is no longer representative or may no longer be used; or
- (H) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate announcing that such Original Reference Rate will, on or before a specified date, no longer be representative or may no longer be used and (ii) the date falling six months prior to the date specified in (H)(i) above,

“**Independent Adviser**” means an independent financial institution of international repute or an independent financial adviser of recognised standing with the appropriate expertise appointed by the relevant Issuer at its own expense with prior notification to the Trustee. For the avoidance of doubt, an Independent Adviser appointed pursuant to this Condition 7(i)(a) shall act in good faith as an expert and (in the absence of bad faith or fraud) shall have no liability whatsoever to the relevant Issuer, the Paying Agents, the Noteholders or the Couponholders for any determination made by it pursuant to this Condition 7(i)(a);

“**Original Reference Rate**” means the originally-specified Reference Rate or, where a Successor Rate or an Alternative Rate has been determined pursuant to Condition 7(i)(a), such Successor Rate or Alternative Rate, as applicable, used to determine the Rate of Interest (or any component part thereof) on the Notes;

“Relevant Nominating Body” means, in respect of a Reference Rate:

- (A) the central bank for the currency to which the Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate; or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (i) the central bank for the currency to which the Reference Rate relates, (ii) any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate, (iii) a group of the aforementioned central banks or other supervisory authorities or (iv) the Financial Stability Board or any part thereof; and

“Successor Rate” means a successor to or replacement of the Original Reference Rate which is formally recommended, or formally provided as an option for the parties to adopt by any Relevant Nominating Body.

(b) *Benchmark Transition*

This Condition 7(i)(b) applies to Notes where the relevant Pricing Supplement specifies “Compounded Daily SOFR” as the Reference Rate.

If the relevant Issuer, in consultation with the Calculation Agent determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in relation to an Original Reference Rate at any time when these Conditions provide for any Rate of Interest (or any component part thereof) to be determined by reference to such Original Reference Rate, then the following provisions shall apply.

(i) *Independent Adviser*

The relevant Issuer shall use reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the relevant Issuer determining the Benchmark Replacement which will replace such Original Reference Rate for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates (subject to any subsequent application of this Condition 7(i)(b) with respect to such Benchmark Replacement) and any Benchmark Replacement Conforming Changes.

Any Benchmark Replacement so determined by the relevant Issuer shall have effect for any subsequent determination of any relevant Rate of Interest (subject to any further application of this Condition 7(i)(b) with respect to such Benchmark Replacement), subject, if any associated Benchmark Replacement Conforming Changes are required in connection therewith, to such Benchmark Replacement Conforming Changes becoming effective in accordance with the following provisions.

If, notwithstanding the relevant Issuer’s reasonable endeavours, the relevant Issuer is unable to appoint and consult with an Independent Adviser in accordance with the foregoing paragraph, the provisions of Condition 7(i)(f) below shall apply.

(ii) *Benchmark Replacement Conforming Changes*

If the relevant Issuer, following consultation with the Independent Adviser (if appointed), considers it is necessary to make Benchmark Replacement Conforming Changes, the relevant Issuer shall, in consultation with the Independent Adviser (if appointed), determine the terms of such Benchmark Replacement Conforming Changes, and shall, subject to giving notice in accordance with Condition 7(i)(c) below (but without any requirement for the consent or approval of Noteholders), vary these Conditions, the Trust Deed and/or the Agency Agreement to give effect to such Benchmark Replacement Conforming Changes with effect from the date specified in such notice.

At the request of the relevant Issuer, but subject to receipt by the Trustee of a certificate signed by two Authorised Signatories of the relevant Issuer pursuant to Condition 7(i)(c), the Trustee shall (at the expense of the relevant Issuer), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the relevant Issuer in effecting any Benchmark Replacement Conforming Changes (including, *inter alia*, by the execution of a deed or an agreement supplemental to or amending the Trust Deed and/or the Agency Agreement (as

applicable)) and the Trustee shall not be liable to any party for any consequences thereof, provided that the Trustee shall not be obliged so to concur if in the sole opinion of the Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend rights and/or the protective provisions afforded to the Trustee in these Conditions, the Trust Deed or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed and/or agency agreement) in any way.

In connection with any such variation in accordance with this Condition 7(i)(b), the relevant Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(iii) *Definitions*

As used in this Condition 7(i)(b):

“Benchmark Replacement” means the first alternative set forth in the order below that can be determined by the relevant Issuer as of the Benchmark Replacement Date:

- (i) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the Original Reference Rate for the applicable Corresponding Tenor and (b) the Benchmark Replacement Adjustment;
- (ii) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment; or
- (iii) the sum of: (a) the alternate rate of interest that has been selected by the relevant Issuer as the replacement for the Original Reference Rate for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current benchmark for U.S. dollar-denominated floating rate notes at such time and (b) the Benchmark Replacement Adjustment;

“Benchmark Replacement Adjustment” means the first alternative set forth in the order below that can be determined by the relevant Issuer as of the Benchmark Replacement Date:

- (i) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or
- (iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the relevant Issuer giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time;

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to any Interest Period, Interest Accrual Period, the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the relevant Issuer (in consultation with the Independent Adviser, if appointed) decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the relevant Issuer decides that adoption of any portion of such market practice is not administratively feasible or if the relevant Issuer determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the relevant Issuer (in consultation with the Independent Adviser, if appointed) determines is reasonably necessary);

“Benchmark Replacement Date” means the earliest to occur of the following events with respect to the Original Reference Rate (including the daily published component used in the calculation thereof):

- (i) in the case of clause (i) or (ii) of the definition of “Benchmark Transition Event”, the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Original Reference Rate permanently or indefinitely ceases to provide the Original Reference Rate (or such component); or
- (ii) in the case of clause (iii) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than (where the Rate of Interest is to be determined pursuant to Condition 7(i)(b)) the Specified Time or (in any other case) the customary or scheduled time for publication of the relevant reference rate in accordance with the then-prevailing operational procedures of the administrator of such reference rate or, as the case may be, of the other relevant information service publishing such reference rate, on, the relevant Interest Determination Date, the Benchmark Replacement Date will be deemed to have occurred prior to such time for such determination;

“**Benchmark Transition Event**” means the occurrence of one or more of the following events with respect to the Original Reference Rate (including the daily published component used in the calculation thereof):

- (i) a public statement or publication of information by or on behalf of the administrator of the Original Reference Rate (or such component) announcing that such administrator has ceased or will cease to provide the Original Reference Rate (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Original Reference Rate (or such component); or
- (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Original Reference Rate (or such component), the central bank for the currency of the Original Reference Rate (or such component), an insolvency official with jurisdiction over the administrator for the Original Reference Rate (or such component), a resolution authority with jurisdiction over the administrator for the Original Reference Rate (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Original Reference Rate, which states that the administrator of the Original Reference Rate (or such component) has ceased or will cease to provide the Original Reference Rate (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Original Reference Rate (or such component); or
- (iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Original Reference Rate announcing that the Original Reference Rate is no longer representative;

“**Corresponding Tenor**” means, with respect to a Benchmark Replacement, a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the Original Reference Rate;

“**Independent Adviser**” means an independent financial institution of international repute or an independent adviser of recognised standing with appropriate expertise appointed by the relevant Issuer at its own expense with prior notice to the Trustee;

“**ISDA Definitions**” means the latest version of the 2021 ISDA Interest Rate Derivatives Definitions as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series as published by the International Swaps and Derivatives Association, Inc.;

“**ISDA Fallback Adjustment**” means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Original Reference Rate;

“ISDA Fallback Rate” means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Original Reference Rate for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

“Original Reference Rate” means the benchmark or screen rate (as applicable) originally specified for the purpose of determining the relevant Rate of Interest (or any relevant component part(s) thereof) on the Notes (provided that if, following one or more Benchmark Transition Events, such originally specified benchmark or screen rate (or any benchmark used in any Benchmark Replacement which has replaced it (the **“Replacement Benchmark”**)) has been replaced by a (or a further) Replacement Benchmark and a Benchmark Transition Event subsequently occurs in respect of such Replacement Benchmark, the term **“Original Reference Rate”** shall be deemed to include any such Replacement Benchmark);

“Relevant Governmental Body” means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

“Unadjusted Benchmark Replacement” means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

(c) *Notices, etc.*

The relevant Issuer shall notify the Trustee, the Principal Paying Agent, the Calculation Agent (if different from the Principal Paying Agent), the Paying Agents and, in accordance with Condition 18 (*Notices*), the Noteholders, promptly of any Successor Rate, Alternative Rate, Adjustment Spread and/or Benchmark Replacement, and the specific terms of any Benchmark Amendments or Benchmark Replacement Conforming Changes (as applicable), determined under this Condition 7(i). Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments or Benchmark Replacement Conforming Changes (as applicable), if any.

No later than notifying the Trustee of the same, the relevant Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories:

- (i) confirming (x) that a Benchmark Event or a Benchmark Transition Event (as applicable) has occurred, (y) the Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread or, as the case may be, the Benchmark Replacement and (z) the specific terms of the Benchmark Amendments or Benchmark Replacement Conforming Changes (if any), as applicable, in each case as determined in accordance with the provisions of this Condition 7(i);
- (ii) certifying that the Benchmark Amendments or Benchmark Replacement Conforming Changes (as applicable) are necessary to ensure the proper operation of (as applicable) (A) such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread or (B) such Benchmark Replacement; and
- (iii) certifying that (i) the relevant Issuer has duly consulted with an Independent Adviser with respect to each of the matters above or, if that is not the case, (ii) explaining, in reasonable detail, why the relevant Issuer has not done so.

The Trustee shall be entitled to rely on such certificate (without inquiry and without liability to any person) as sufficient evidence thereof. The Successor Rate, Alternative Rate, Benchmark Replacement, Adjustment Spread, Benchmark Amendments and/or Benchmark Replacement Conforming Changes (if any), as applicable, specified in such certificate will (in the absence of manifest error in the determination thereof and without prejudice to the Trustee’s ability to rely on such certificate as aforesaid) be binding on the relevant Issuer, the Trustee, the Agent, the Calculation Agent, the Paying Agents and the Noteholders and Couponholders.

(d) *Survival of Original Reference Rate*

Without prejudice to the relevant Issuer’s obligations under the provisions of this Condition 7(i), the Original Reference Rate and the fallback provisions provided for in Condition 7 will

continue to apply unless and until the Calculation Agent has been notified, in accordance with Condition 7(i)(c), of (as the case may be):

- (i) the Successor Rate or the Alternative Rate (as the case may be), and (in either case) the Adjustment Spread and Benchmark Amendments (if any) determined in accordance with Condition 7(i)(a); or
 - (ii) the Benchmark Replacement and Benchmark Replacement Conforming Changes (if any) determined in accordance with Condition 7(i)(b).
- (e) *Restriction on Independent Adviser and Issuer liability*

An Independent Adviser appointed pursuant to this Condition 7(i) shall act in good faith.

In the absence of bad faith or fraud, neither the relevant Issuer nor any Independent Adviser shall have any liability whatsoever to the Trustee, the Paying Agents, the Agent, the Calculation Agent or the Noteholders or Couponholders for any determination made by the relevant Issuer or the Independent Adviser or (in the case of the Independent Adviser) for any advice given to the relevant Issuer in connection with any determination made by the relevant Issuer pursuant to this Condition 7(i).

(f) *Fallbacks*

If, following the occurrence of:

- (i) a Benchmark Event; or
- (ii) a Benchmark Transition Event (and its related Benchmark Replacement Date),

in respect of the Original Reference Rate, on the immediately following Interest Determination Date:

- (A) (in the case of (i) above) no Successor Rate or Alternative Rate (as applicable) is determined pursuant to Condition 7(i)(a) or (as the case may be) a Successor Rate or Alternative Rate (as applicable) is determined, but no Adjustment Spread is determined pursuant to Condition 7(i)(a); or
- (B) (in the case of (ii) above) no Benchmark Replacement is determined in accordance with Condition 7(i)(b),

then the original benchmark or screen rate (as applicable) will continue to apply for the purposes of determining such Rate of Interest on such Interest Determination Date, with the effect that the fallback provisions provided in Condition 7(c) will continue to apply to such determination.

In such circumstances, the relevant Issuer will be entitled (but not obliged), at any time thereafter, to elect to re-apply the provisions of this Condition 7(i), *mutatis mutandis*, on one or more occasions until:

- (x) (in the case of (i) above) a Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread and any Benchmark Amendments; or
- (y) (in the case of (ii) above) the Benchmark Replacement and any Benchmark Replacement Conforming Changes,

have been determined and notified in accordance with this Condition 7(i) (and, until such determination and notification (if any), the fallback provisions provided in Condition 7(c) will continue to apply).

The relevant Issuer's intention is that, in circumstances where the relevant Issuer has been unable to determine (as applicable) (i) a Successor Rate or Alternative Rate (as applicable) and (in either case) the Adjustment Spread or (ii) the Benchmark Replacement pursuant to this Condition 7(i), it will elect to re-apply such provisions if and when, in its sole determination, there have been such subsequent developments (whether in applicable law, market practice or otherwise) as would enable the relevant Issuer successfully to apply such provisions and determine (as applicable) (a) a Successor Rate or Alternative Rate (as applicable) and (in either case) the applicable Adjustment Spread and the applicable Benchmark Amendments (if any) or

(b) the Benchmark Replacement and the applicable Benchmark Replacement Conforming Changes (if any).

(ii) Preparation in anticipation of a Benchmark Event or a Benchmark Transition Event

If the relevant Issuer anticipates that a Benchmark Event or a Benchmark Transition Event, as applicable, will or may occur, nothing in these Conditions shall prevent the relevant Issuer (in its sole discretion) from taking, prior to the occurrence of such Benchmark Event or a Benchmark Transition Event, such actions as it considers expedient in order to prepare for applying the provisions of this Condition 7(i) (including, without limitation, appointing and consulting with an Independent Adviser, and seeking to identify any Successor Rate, Alternative Rate, Adjustment Spread, Benchmark Amendments, Benchmark Replacement and/or Benchmark Replacement Conforming Changes, as applicable), provided that no Successor Rate, Alternative Rate, Adjustment Spread, Benchmark Amendments, Benchmark Replacement and/or Benchmark Replacement Conforming Changes will take effect until the relevant Benchmark Event, or the relevant Benchmark Transition Event and its related Benchmark Replacement Date, as applicable, has occurred.

8. Zero Coupon Note Provisions

(a) Application

This Condition 8 is applicable to the Notes only if the Zero Coupon Note provisions are specified in the relevant Pricing Supplement as being applicable.

(b) Late payment on Zero Coupon Notes

If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

- (i) the Reference Price; and*
- (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (A) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (B) the day which is seven days after the Principal Paying Agent or, as the case may be, the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).*

9. Redemption and Purchase

(a) Scheduled redemption

Unless previously redeemed or purchased and cancelled as provided below, the relevant Issuer will redeem the Notes at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 10(1) (*Payments – Bearer Notes*) or Condition 10(2) (*Payments – Registered Notes*).

(b) Redemption for tax reasons

The Notes may be redeemed at the option of the relevant Issuer in whole, but not in part:

- (i) at any time (if the Floating Rate Note provisions are not specified in the relevant Pricing Supplement as being applicable); or*
- (ii) on any Interest Payment Date (if the Floating Rate Note provisions are specified in the relevant Pricing Supplement as being applicable),*

on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 18 (*Notices*) (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if:

- (A) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction, or any change in the application or official interpretation of the laws or regulations of a Relevant Jurisdiction, which change or*

amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes of the relevant Series, on the next Interest Payment Date either (i) the relevant Issuer would be required to pay additional amounts as provided or referred to in Condition 11 (*Taxation*) or (ii) the Guarantor would be unable for reasons outside its control to procure payment by the relevant Issuer and in making payment itself would be required to pay such additional amounts; and

- (B) the requirement cannot be avoided by the relevant Issuer or, as the case may be, the Guarantor taking reasonable measures available to it,

provided, however, that no such notice of redemption shall be given earlier than:

- (I) where the Notes may be redeemed at any time, 90 days prior to the earliest date on which the relevant Issuer or, as the case may be, the Guarantor would be required to pay such additional amounts, were a payment in respect of the Notes then due; or
- (II) where the Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the relevant Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the relevant Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories of the relevant Issuer or, as the case may be, the Guarantor, stating that the requirement referred to in (A) above cannot be avoided by the relevant Issuer or, as the case may be, the Guarantor taking reasonable measures available to it and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out in (B) above in which event it shall be conclusive and binding on the Noteholders and Couponholders. Upon the expiry of any such notice as is referred to in this Condition 9(b), the relevant Issuer shall be bound to redeem the Notes in accordance with this Condition 9(b).

(c) ***Redemption at the option of the relevant Issuer (Issuer Call Option)***

If Issuer Call Option is specified in the relevant Pricing Supplement as being applicable, the relevant Issuer may, having given not less than 30 nor more than 60 days' notice (or such other period of notice as is specified in the relevant Pricing Supplement as being applicable) to the Noteholders and the Trustee in accordance with Condition 18 (*Notices*) (which notice shall be irrevocable), redeem all or, if so specified in the relevant Pricing Supplement, part, of the Notes at the relevant Optional Redemption Amount (Call) on any Optional Redemption Date (Call).

(d) ***Redemption at the option of the relevant Issuer where Issuer Maturity Par Call Option or Issuer Residual Call Option is specified***

The Notes may be redeemed at the option of the relevant Issuer in whole, but not in part:

- (i) if Issuer Maturity Par Call Option is specified in the relevant Pricing Supplement as being applicable, at any time during the period commencing on (and including) the day that is 90 days (or such other number of days as is specified in the relevant Pricing Supplement) prior to the Maturity Date to (but excluding) the Maturity Date, at the Final Redemption Amount specified in the relevant Pricing Supplement, plus accrued interest (if any) to the date fixed for redemption, upon the relevant Issuer having given not less than 30 nor more than 60 days' notice (or such other period of notice as is specified in the relevant Pricing Supplement as being applicable) to the Noteholders and the Trustee (which notice shall be irrevocable and shall specify the date fixed for redemption); or
- (ii) if Issuer Residual Call Option is specified in the relevant Pricing Supplement as being applicable and, at any time, the outstanding aggregate nominal amount of the Notes is 20 per cent. or less of the aggregate nominal amount of the Series issued, at any time

(if the Floating Rate Note provisions are not specified in the relevant Pricing Supplement as being applicable) or on any Interest Payment Date (if the Floating Rate Note provisions are specified in the relevant Pricing Supplement as being applicable), at the Residual Call Early Redemption Amount, plus accrued interest (if any) to the date fixed for redemption, upon the relevant Issuer having given not less than 30 nor more than 60 days' notice (or such other period of notice as is specified in the relevant Pricing Supplement as being applicable) to the Noteholders and the Trustee (which notice shall be irrevocable and shall specify the date fixed for redemption).

(e) ***Partial redemption***

If the Notes are to be redeemed in part only on any date in accordance with Condition 9(c) (*Redemption at the option of the relevant Issuer (Issuer Call Option)*), in the case of Bearer Notes, the Notes to be redeemed shall be selected by the drawing of lots in such place and in such manner as the Trustee approves, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Condition 9(c) (*Redemption at the option of the relevant Issuer (Issuer Call Option)*) shall specify the serial numbers of the Notes so to be redeemed (which will be published by the relevant Issuer in accordance with Condition 18 (*Notices*) not less than 15 days prior to the date fixed for redemption), and, in the case of Registered Notes, each Note shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Notes to be redeemed on the relevant Optional Redemption Date (Call) bears to the aggregate principal amount of outstanding Notes on such date. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Pricing Supplement, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

(f) ***Redemption at the option of Noteholders***

If Put Option is specified in the relevant Pricing Supplement as being applicable, the relevant Issuer shall, at the option of the Holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 9(f), the Holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put) (or such other period(s) as may be specified in the relevant Pricing Supplement), deposit with any Paying Agent (in the case of Bearer Notes) or the Registrar or any Transfer Agent (in the case of Registered Notes) (i) a duly completed Put Option Notice in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent, as the case may be and (ii) such Note together with, in the case of Bearer Notes, all unmatured Coupons relating thereto. The Paying Agent, the Registrar or any Transfer Agent, as the case may be, with which such Note and/or Put Option Notice is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. In the case of Registered Notes, the Holder must specify in the Put Option Notice the nominal amount of Notes to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Note Certificate in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 3(f) (*Form, Denomination, Title and Transfer – Transfers of Registered Notes*).

If the Note is in definitive form and held through Euroclear or Clearstream, to exercise the right to require redemption or, as the case may be, purchase of a Note under this Condition 9(f) the holder of the Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put), give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream (which may include notice being given on their instruction by Euroclear or Clearstream or any common depositary for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream from time to time.

Any Put Option Notice or other notice given by a Holder of any Note pursuant to this Condition 9(f) (*Redemption at the option of the Noteholders*) shall be irrevocable except where, prior to

the due date of redemption, an Event of Default has occurred and the Trustee has declared the Notes to be due and payable pursuant to Condition 12 (*Events of Default*), in which event such Holder, at its option, may elect by notice to the relevant Issuer to withdraw the notice given pursuant to this Condition 9(f) (*Redemption at the option of Noteholders*) and instead to declare such Note forthwith due and payable pursuant to Condition 12 (*Events of Default*).

(g) ***Change of Control redemption***

If Change of Control Put Option is specified in the relevant Pricing Supplement as being applicable and a Change of Control Triggering Event occurs (unless prior to the Change of Control Offer, the relevant Issuer has given notice of redemption under Condition 9(b) (*Redemption for tax reasons*) or 9(c) (*Redemption at the option of the relevant Issuer (Issuer Call Option)*)), the relevant Issuer will be required to make an offer (the “**Change of Control Offer**”) to each Noteholder to purchase all of that Noteholder’s Notes. In the Change of Control Offer, the relevant Issuer will be required to offer payment in cash equal to the aggregate principal amount of Notes to be purchased, plus accrued and unpaid interest, if any, on the Notes to be purchased up to but excluding the date of purchase (the “**Change of Control Payment**”). Within 30 days following any Change of Control Triggering Event or, at the option of the relevant Issuer, prior to any Change of Control, but after public announcement of the transaction that constitutes or may constitute the Change of Control, the relevant Issuer will give written notice to the Trustee (the “**Change of Control Notice**”), in accordance with the procedures set forth in Clause 16 (*Notices*) of the Trust Deed, describing: (i) the transaction which constitutes or may constitute the Change of Control Triggering Event; (ii) offering to purchase the Notes at the Change of Control Optional Redemption Amount together with interest accrued to (but excluding) the date specified in such Change of Control Notice for the purchase of the Notes, which date will be a date no earlier than 30 days and no later than 60 days from the date such Change of Control Notice is given (the “**Change of Control Payment Date**”); and (iii) including the instructions (as determined by the relevant Issuer) that a Noteholder must follow in order to have its Notes purchased.

The notice will, if given prior to the date of consummation of the Change of Control, state that the offer to purchase is conditional on the Change of Control Triggering Event occurring on or prior to the Change of Control Payment Date.

On the Change of Control Payment Date, the relevant Issuer will, to the extent lawful:

- (a) accept for purchase all Notes or portions of Notes properly tendered and not withdrawn pursuant to the Change of Control Offer;
- (b) deposit with the agent as set out in the written notice an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered and not withdrawn; and
- (c) deliver or cause to be delivered to the Principal Paying Agent the Notes accepted for purchase together with a certificate signed by an Officer of the relevant Issuer stating the aggregate principal amount of Notes or portions of Notes being purchased and request that such Notes are cancelled forthwith as contemplated pursuant to Condition 9(l) below.

The relevant Issuer will not be required to make a Change of Control Offer upon the occurrence of a Change of Control Triggering Event if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by the relevant Issuer and the third party purchases all Notes properly tendered and not withdrawn under its offer. In addition, the relevant Issuer will not purchase any Notes if there has occurred and is continuing on the Change of Control Payment Date an Event of Default under Condition 12 (*Events of Default*), other than a default in the payment of the Change of Control Payment upon a Change of Control Triggering Event.

The Guarantor hereby irrevocably and unconditionally guarantees the obligations of the relevant Issuer to make a Change of Control Offer as described above. The Guarantor further irrevocably and unconditionally guarantees to make payment for any and all Notes properly tendered and not withdrawn as described above.

The Trustee is under no obligation to ascertain whether a Change of Control Triggering Event or Change of Control or Rating Event or any event which could lead to the occurrence of or could constitute a Change of Control Triggering Event or Rating Event has occurred, and, until it shall have actual knowledge or notice to the contrary, the Trustee may assume that no Change of Control Triggering Event, Change of Control or Rating Event or other such event has occurred.

References in the Trust Deed and in these Conditions to principal shall, unless the context otherwise requires, be deemed to include a reference any purchase monies paid pursuant to this Condition 9(g).

(h) ***Acquisition Event Redemption***

If Acquisition Event Call Option is specified in the relevant Pricing Supplement as being applicable and an Acquisition Event has occurred and is continuing at any time during the Acquisition Event Call Period specified in the applicable Pricing Supplement, the relevant Issuer may, on giving not less than 30 nor more than 60 days' notice (or such other period of notice as is specified in the relevant Pricing Supplement as being applicable) to the Noteholders and the Trustee (which notice shall be irrevocable), redeem the Notes in whole, but not in part, at 101 per cent. of their principal amount or such other amount specified in the applicable Pricing Supplement (the "**Early Redemption Amount (Acquisition Event Call Option)**") together with interest accrued (if any) to (but excluding) the redemption date. Upon expiry of such notice, the relevant Issuer shall redeem the Notes.

Promptly upon the relevant Issuer or the Guarantor, as applicable, becoming aware that an Acquisition Event has occurred at any time during the Acquisition Event Call Period, the relevant Issuer or the Guarantor, as applicable, shall give notice to the Noteholders and the Trustee (which notice shall be irrevocable), provided that no such notice shall be required from the relevant Issuer or, as the case may be, the Guarantor, if the relevant Issuer has previously waived its right to redeem the Notes pursuant to this Condition 9(h) as described below.

The relevant Issuer may, at its sole discretion and at any time during the Acquisition Event Call Period, give notice to the Noteholders and the Trustee (which notice shall be irrevocable) that it has elected to irrevocably waive its right to redeem the Notes pursuant to this Condition 9(h). Upon such notice being given, the relevant Issuer shall no longer be entitled to exercise its rights under this Condition 9(h).

Prior to the publication of any notice of redemption pursuant to this Condition 9, the relevant Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories of the relevant Issuer or, as the case may be, the Guarantor stating that the relevant Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the relevant Issuer so to redeem have occurred.

(i) ***No other redemption***

The relevant Issuer shall not be entitled to redeem the Notes otherwise than as provided in Conditions 9(a) (*Scheduled redemption*) to 9(h) (*Acquisition Event Redemption*) above.

(j) ***Early redemption of Zero Coupon Notes***

Unless otherwise specified in the relevant Pricing Supplement, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:

- (i) the Reference Price; and
- (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Pricing Supplement for the purposes of this Condition 9(j) or, if none is so specified, a Day Count Fraction of 30E/360.

- (k) **Purchase**
- The relevant Issuer, the Guarantor or any Subsidiary may at any time purchase Notes in the open market or otherwise and at any price, **PROVIDED THAT** all unmatured Coupons are purchased therewith.
- (l) **Cancellation**
- All Notes so redeemed or purchased by the relevant Issuer, the Guarantor, or any Subsidiary and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.
10. **Payments**
- (1) **Bearer Notes**
- This Condition 10(1) is only applicable to Bearer Notes.
- (a) **Principal**
- Payments of principal shall be made only against presentation and (**PROVIDED THAT** payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency.
- (b) **Interest**
- Payments of interest shall, subject to Condition 10(1)(h) (*Payments other than in respect of matured Coupons*), be made only against presentation and (**PROVIDED THAT** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in Condition 10(1)(a) (*Principal*).
- (c) **Payments in New York City**
- Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the relevant Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.
- (d) **Payments subject to fiscal laws**
- All payments in respect of the Bearer Notes are subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 11 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.
- No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) **Deductions for unmatured Coupons**
- If the relevant Pricing Supplement specifies that the Fixed Rate Note provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto:
- (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **PROVIDED HOWEVER, THAT** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate

amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;

- (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
 - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the “**Relevant Coupons**”) being equal to the amount of principal due for payment; **PROVIDED HOWEVER, THAT** where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
 - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; **PROVIDED, HOWEVER, THAT**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in Condition 10(1)(a) (*Principal*) against presentation and (**PROVIDED THAT** payment is made in full) surrender of the relevant missing Coupons.

(f) ***Unmatured Coupons void***

If the relevant Pricing Supplement specifies that this Condition 10(1)(f) is applicable or that the Floating Rate Note provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 9(b) (*Redemption for tax reasons*), Condition 9(c) (*Redemption at the option of the relevant Issuer (Issuer Call Option)*), Condition 9(d) (*Redemption at the option of the relevant Issuer where Issuer Maturity Par Call Option or Issuer Residual Call Option is specified*), Condition 9(f) (*Redemption at the option of Noteholders*), Condition 9(g) (*Change of Control redemption*), Condition 9(h) (*Acquisition Event Redemption*) or Condition 12 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

(g) ***Payments on business days***

If the due date for payment of any amount in respect of any Bearer Note or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

(h) ***Payments other than in respect of matured Coupons***

Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by Condition 10(1)(c) (*Payments in New York City*) above).

(i) ***Partial payments***

If a Paying Agent makes a partial payment in respect of any Bearer Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

(j) ***Exchange of Talons***

On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Principal Paying Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 13 (*Prescription*)). Upon the due date for

redemption of any Bearer Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

(2) **Registered Notes**

This Condition 10(2) is only applicable to Registered Notes.

(a) ***Principal***

Payments of principal shall be made by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

(b) ***Interest***

Payments of interest shall be made by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

(c) ***Payments subject to fiscal laws***

All payments in respect of the Registered Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 11 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders in respect of such payments.

(d) ***Payments on business days***

Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not a Payment Business Day, for value the next succeeding Payment Business Day) will be initiated (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the Payment Business Day immediately preceding the due date for payment. A Holder of a Registered Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from the due date for a payment not being a Payment Business Day.

(e) ***Partial payments***

If a Paying Agent makes a partial payment in respect of any Registered Note, the relevant Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.

(f) ***Record date***

Each payment in respect of a Registered Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**").

11. **Taxation**

(a) ***Gross up***

All payments in respect of the Notes and the Coupons by or on behalf of the relevant Issuer or the Guarantor shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of the Relevant Jurisdiction, unless the withholding or deduction of the Taxes is required by law. In the event that any withholding or

deduction is required by law for or on account of any Taxes imposed or levied by or on behalf of the Relevant Jurisdiction, the relevant Issuer or, as the case may be, the Guarantor will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders and Couponholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes or, as the case may be, Coupons in the absence of the withholding or deduction; except that no additional amounts shall be payable in relation to any payment in respect of any Note or Coupon:

- (i) presented for payment by or on behalf of, a holder who is liable to the Taxes in respect of the Note or Coupon by reason of his having some connection with the Relevant Jurisdiction other than the mere holding of the Note or Coupon; or
- (ii) where such withholding or deduction could have been avoided by the holder making a declaration of non-residence or other similar claim for exemption to any authority of or in the United Kingdom; or
- (iii) presented for payment more than 30 days after the Relevant Date except to the extent that a holder would have been entitled to additional amounts on presenting the same for payment on the last day of the period of 30 days assuming, whether or not such is in fact the case, that day to have been a Presentation Date (as defined in Condition 10 (*Payments*)); or
- (iv) where such withholding or deduction is required pursuant to an agreement described in section 1471(b) of the Code, or is otherwise imposed pursuant to sections 1471 through 1474 of the Code and any regulations, agreements or undertakings thereunder or official interpretations thereof or other law implementing an intergovernmental approach thereto; or
- (v) in the case of Notes issued by Pearson Funding LLC, presented for payment by or on behalf of (i) any 10 per cent. shareholder of Pearson Funding LLC within the meaning of Section 871(h)(3)(B) of the Code, (ii) any controlled foreign corporation related to Pearson Funding LLC within the meaning of Section 864(d)(4) of the Code, (iii) any bank whose acquisition of Notes constitutes an extension of credit pursuant to a loan agreement entered into in the ordinary course of its business, (iv) any tax, assessment or governmental charge that would not have been imposed or withheld but for the failure of the holder, if required, to comply with certification, identification or information reporting or any other requirements under United States income tax laws and regulations, without regard to any tax treaty, with respect to the payment, concerning the nationality, residence, identity or connection with the United States of the holder or a beneficial owner of such Note or Coupon, if such compliance is required by United States income tax laws and regulations, without regard to any tax treaty, as a precondition to relief or exemption from such tax, assessment or governmental charge, including, failure of the holder or of the beneficial owner of such Note or Coupon, to provide a valid U.S. Internal Revenue Service (the “**IRS**”) Form W-8 (or successor form) or other documentation as permitted by official IRS guidance, or (v) any personal holding company, foreign personal holding company, controlled foreign corporation, foreign private foundation or other foreign exempt organization, passive foreign investment company (as each term is defined in the Code) or corporation which has accumulated taxable income to avoid U.S. federal income tax.

(b) ***Taxing jurisdiction***

If the relevant Issuer or the Guarantor becomes subject at any time to any taxing jurisdiction other than the Relevant Jurisdiction(s), references in these Conditions to the Relevant Jurisdiction(s) shall be construed as references to the Relevant Jurisdiction(s) and/or such other jurisdiction.

12. **Events of Default**

The Trustee at its absolute discretion may, and if so required in writing by the holders of not less than 25 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), give notice to the relevant Issuer declaring

the Notes to be repayable at their Early Termination Amount together with accrued interest (if any), if at any time any of the following events (each an “**Event of Default**”) shall occur and be continuing, so long as at the time of such notice such event or (as the case may be) all such events shall not have been waived by, or remedied to the reasonable satisfaction of, the Trustee:

- (a) default being made in the payment of any interest in respect of any of the Notes for a period of 14 days as and when the same ought to be paid; or
- (b) default being made in the payment of the principal in respect of any of the Notes for a period of seven days as and when the same ought to be paid; or
- (c) default being made by the relevant Issuer or the Guarantor in the performance or observance of any other covenant, undertaking, condition or provision contained in the Trust Deed or in the Notes and (except where the Trustee shall have certified in writing to the relevant Issuer or the Guarantor (as the case may be) that it considers such default to be incapable of remedy when no such notice as is hereinafter mentioned shall be required) such default continues for a period of 30 days or more immediately following the service by the Trustee on the relevant Issuer of a notice requiring the same to be remedied; or
- (d) the occurrence of any event of default as defined in any mortgage, indenture or instrument under which there may be issued, or by which there may be secured or evidenced, any indebtedness of the relevant Issuer, the Guarantor or any Material Company for money borrowed, whether such indebtedness now exists or shall hereafter be created, resulting in such indebtedness in principal amount in excess of U.S.\$50,000,000 (or the equivalent thereof in other currencies) becoming or being declared due and payable prior to the date on which it would otherwise become due and payable, and such acceleration not having been rescinded or annulled, or such indebtedness not having been discharged, within a period of 30 days after written notice thereof shall have been given to the relevant Issuer and the Guarantor by the Trustee; or
- (e) an order being made or an effective resolution being passed for the winding up or dissolution of the relevant Issuer, the Guarantor or any Material Company (except, in the case of a Material Company, for a winding-up for the purpose of a reconstruction or amalgamation the terms of which have previously been approved in writing by the Trustee or a voluntary solvent winding-up in connection with the transfer of all or the major part of the business, undertaking and assets of such Material Company to the relevant Issuer or the Guarantor, another Material Company or any Subsidiary which becomes a Material Company as a result of such transfer); or
- (f) the relevant Issuer, the Guarantor or any Material Company ceasing to carry on all or substantially all of its business (except a cessation (1) in the circumstances referred to in the parentheses of paragraph (e) above or (2) consequent upon a sale by a Material Company of all or any part of its business on arm’s length terms and for fair market value); or
- (g) an encumbrancer taking possession of, or an administrative or other receiver, an administrator or any similar official being appointed in relation to, the relevant Issuer, the Guarantor or any Material Company or in relation to the whole or substantially the whole of the undertaking, property, assets or revenues of the relevant Issuer, the Guarantor or any Material Company or a distress or execution or other legal process being levied or enforced upon or sued out against the whole or substantially the whole of the chattels or property of the relevant Issuer, the Guarantor or any Material Company and not being discharged within 28 days; or
- (h) the relevant Issuer, the Guarantor or any Material Company being unable to pay its debts within the meaning of Section 123(1) of the Insolvency Act 1986; or
- (i) the relevant Issuer, the Guarantor or any Material Company consenting to proceedings relating to itself under any applicable bankruptcy, insolvency, composition or other similar laws or making a conveyance or assignment for the benefit of, or entering into

any composition with, its creditors generally, or being adjudicated or found bankrupt or insolvent by any competent court; or

- (j) the Guarantee ceases to be in full force and effect or the Guarantor shall, in writing, deny or disaffirm its obligations under the Guarantee.

13. Prescription

Claims for principal in respect of Bearer Notes shall become void unless the relevant Bearer Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest in respect of Bearer Notes shall become void unless the relevant coupons are presented for payment within five years of the appropriate Relevant Date. Claims for principal and interest on redemption in respect of Registered Notes shall become void unless the relevant Note Certificates are surrendered for payment within ten years of the appropriate Relevant Date.

14. Replacement of Notes, Coupons and Talons

If any Note, Note Certificate Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Principal Paying Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes, (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the relevant Issuer and the Guarantor may reasonably require. Mutilated or defaced Notes, Note Certificates, Coupons or Talons must be surrendered before replacements will be issued.

15. Trustee and Agents

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from any obligation to take proceedings to enforce repayment or take any other action under the Trust Deed unless indemnified and/or secured and/or prefunded to its satisfaction and to be paid its costs and expenses in priority to the claims of Noteholders. The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (i) to enter into business transactions with the relevant Issuer, the Guarantor and/or any other Subsidiary of the Guarantor and/or any related entity thereof and to act as trustee for the holders of any other securities issued or guaranteed by or relating to the relevant Issuer, the Guarantor or any other Subsidiary of the Guarantor, (ii) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders or Couponholders, and (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

In the exercise of its powers and discretions under these Conditions and/or the Trust Deed, the Trustee will have regard to the interests of the Noteholders as a class and will not be responsible for any consequences for individual Holders of Notes, Coupons or Talons as a result of such Holders being connected in any way with a particular territory or taxing jurisdiction.

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents and the Calculation Agent (if any) act solely as agents of the relevant Issuer or, following the occurrence of an Event of Default, the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The Principal Paying Agent and its initial Specified Office is set out below. If any additional Paying Agent is appointed in connection with any Series, the name of such Paying Agent will be specified in Part B of the relevant Pricing Supplement. The initial Calculation Agent (if any) is specified in the relevant Pricing Supplement. The relevant Issuer reserves the right at any time, with the prior written consent of the Trustee, to vary or terminate the appointment of any Agent, Registrar or Calculation Agent and to appoint a successor registrar, principal paying agent, transfer agent or calculation agent and additional or successor paying agents; **PROVIDED HOWEVER, THAT:**

- (a) the relevant Issuer shall at all times maintain a Principal Paying Agent and a Registrar; and

- (b) if a Calculation Agent is specified in the relevant Pricing Supplement, the relevant Issuer shall at all times maintain a Calculation Agent; and
- (c) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent (in the case of Bearer Notes) and/or a Transfer Agent (in the case of Registered Notes) in any particular place, the relevant Issuer shall maintain a Paying Agent and/or Transfer Agent, as applicable, having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any appointment of, or change in, any of the Calculation Agent, Registrar, Agents or in their Specified Offices shall promptly be given to the Noteholders in accordance with Condition 18 (*Notices*).

16. **Meetings of Noteholders, Modification, Waiver, Authorisation and Determination**

(a) ***Meetings of Noteholders***

The Trust Deed contains provisions for convening meetings of the Noteholders (including the holding of physical or, wholly or partly, virtual meetings by means of electronic facility or facilities (including telephone and video conference platforms)) to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Coupons or any of the provisions of the Trust Deed. Such a meeting may be convened by the relevant Issuer or the Trustee or by Noteholders holding not less than 5 per cent. in principal amount of the Notes for the time being outstanding. The quorum at any such meeting for passing an Extraordinary Resolution will be one or more persons holding or representing a clear majority in principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the principal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes or the Coupons or the Trust Deed (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in principal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in principal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Couponholders. An Extraordinary Resolution may also be effected in writing executed by or on behalf of persons holding or representing not less than three-fourths in principal amount of the Notes for the time being outstanding.

(b) ***Modification and waiver***

The Trustee may agree, without the consent of the Noteholders or Couponholders, to:

- (a) any modification of these Conditions, the Notes, the Coupons or the Trust Deed which is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders; or
- (b) any modification of these Conditions, the Notes, the Coupons or the Trust Deed which is of a formal, minor or technical nature or which is made to correct a manifest error or to comply with mandatory provisions of applicable law.

The Trustee may also agree, without the consent of the Noteholders or Couponholders, to the waiver or authorisation of any breach or proposed breach of any of these Conditions or any of the provisions of the Trust Deed or determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default (each as defined in the Trust Deed) shall not be treated as such, which in any such case is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders.

Any such modification, waiver, authorisation or determination as aforesaid shall be binding on the Noteholders and the Couponholders and, unless the Trustee agrees otherwise, any such modification shall be notified to the Noteholders by the relevant Issuer in accordance with Condition 18 (*Notices*) as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities or discretions (including, but without limitation, any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders (whatever their number) and, in particular, but without limitation, shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the relevant Issuer or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders except, in the case of the relevant Issuer, to the extent provided for in Condition 11 (*Taxation*) and/or any undertaking given in addition to, or in substitution for, Condition 11 (*Taxation*) pursuant to the Trust Deed.

(c) ***Substitution***

The Trustee may, without the consent of the Noteholders or the Couponholders, agree with the relevant Issuer and the Guarantor to the substitution (a) in place of the relevant Issuer as the principal debtor in respect of the Notes of (i) the Guarantor, (ii) a successor in business to the relevant Issuer or the Guarantor, (iii) a holding company (as defined in the Trust Deed) of the relevant Issuer or the Guarantor or (iv) any Subsidiary of the Guarantor; or (b) in place of the Guarantor as the guarantor in respect of the Notes, the Coupons and the Trust Deed of (i) a successor in business to the Guarantor or (ii) a holding company of the Guarantor, subject to:

- (a) except in the case of the substitution of the Guarantor, the Notes being unconditionally and irrevocably guaranteed by the Guarantor;
- (b) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution; and
- (c) certain other conditions set out in the Trust Deed being complied with.

No Noteholder or Couponholder shall, in connection with any substitution, be entitled to claim any indemnification or payment in respect of any tax consequence thereof for such Noteholder or (as the case may be) Couponholder except to the extent provided for in Condition 11 (*Taxation*) (or any undertaking given in addition to or substitution for it pursuant to the provisions of the Trust Deed).

17. **Enforcement**

The Trustee may, at any time, at its discretion and without further notice, institute such proceedings or take any other action against the relevant Issuer and/or the Guarantor as it thinks fit to enforce any obligation, condition or provision binding on the relevant Issuer and/or the Guarantor under these Conditions, the Notes or the Trust Deed, but shall not be bound to do so or to take any further action under or pursuant to the Trust Deed unless:

- (a) it has been so directed by an Extraordinary Resolution or it has been so requested in writing by the holders of at least one-quarter in principal amount of the Notes then outstanding; and
- (b) it has been indemnified and/or secured and/or prefunded to its satisfaction.

No Noteholder or Couponholder shall be entitled to institute proceedings directly against the relevant Issuer or the Guarantor unless the Trustee, having become bound to proceed as aforesaid fails or is unable to do so within 60 days of being bound so to proceed, and such failure or inability is continuing.

18. **Notices**

(a) ***Valid Notices – Bearer Notes***

Notices to the Holders of Bearer Notes shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. The relevant Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or the relevant

authority on which the Notes are for the time being listed. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Trustee may approve. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with this Condition 18.

(b) ***Valid Notices – Registered Notes***

Notices to the Holders of Registered Notes will be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register. Any such notice shall be deemed to have been given on the fourth day after the date of mailing. In addition, notices to Noteholders will be published on the date of such mailing in a leading English language daily newspaper published in London (which is expected to be the Financial Times) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe.

(c) ***Other Methods***

Notwithstanding Condition 18(a) (*Valid Notices – Bearer Notes*) and Condition 18(b) (*Valid Notices – Registered Notes*), the Trustee may approve some other method of giving notice to the Noteholders if, in its opinion, that other method is reasonable having regard to market practice then prevailing and to the requirements of any stock exchange on which Notes are then listed and **PROVIDED THAT** notice of that other method is given to the Noteholders in the manner required by the Trustee.

(d) ***Couponholders***

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

19. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Pricing Supplement), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent., being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), and (c) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

20. **Further Issues**

The relevant Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the relevant Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Notes. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other series where the Trustee so decides.

21. **Governing Law and Jurisdiction**

(a) ***Governing law***

The Trust Deed (including the Guarantee), the Notes and the Coupons and any non-contractual obligations arising out of or in connection with the Trust Deed (including the Guarantee), the Notes and the Coupons are governed by, and will be construed in accordance with, English law.

(b) ***English courts***

Subject to Condition 21(d) below, the courts of England have exclusive jurisdiction to settle any dispute (a “**Dispute**”) arising out of or in connection with the Notes and the Trust Deed

(including a dispute relating to the existence, validity or cancellation of the Notes or any non-contractual obligation arising out of or in connection with the Notes or the Trust Deed) or the consequences of their nullity and accordingly each of the relevant Issuer, the Guarantor and the Trustee and any Noteholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.

(c) ***Appropriate forum***

The relevant Issuer and the Guarantor agree that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that they will not argue to the contrary.

(d) ***Rights of the Trustee and Noteholders to take proceedings outside England***

Condition 21(d) is for the benefit of the Trustee, the Noteholders and the Couponholders only. To the extent allowed by law, the Trustee, the Noteholders and the Couponholders may in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

(e) ***Process agent***

Pearson Funding LLC, to the extent it is the relevant Issuer, irrevocably appoints Pearson Funding plc at its registered office as its agent for service of process in any proceedings before the English courts in relation to any Dispute and Pearson Funding plc accepts such appointment. Pearson Funding LLC undertakes that, in the event of Pearson Funding plc ceasing so to act or ceasing to be registered in England, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute in England. Pearson Funding LLC agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing in this paragraph shall affect the right of the Trustee or, failing the Trustee, any Noteholder, to serve process in any other manner permitted by law.

(f) ***Waiver of Trial by Jury***

WITHOUT PREJUDICE TO CONDITION 21(b), EACH OF THE RELEVANT ISSUER AND THE GUARANTOR WAIVES ANY RIGHT IT MAY HAVE TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION IN CONNECTION WITH THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT. THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A BENCH TRIAL.

FORM OF PRICING SUPPLEMENT

THE OFFER OF THE NOTES IN THE UNITED KINGDOM IS MADE PURSUANT TO AN EXCEPTION TO THE PROHIBITION ON A PUBLIC OFFER UNDER THE PUBLIC OFFERS AND ADMISSIONS TO TRADING REGULATIONS 2024 (THE “**POATRS**”). ACCORDINGLY, THE FINANCIAL CONDUCT AUTHORITY HAS NEITHER APPROVED NOR REVIEWED THE INFORMATION CONTAINED HEREIN.

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the European Economic Area (the “**EEA**”). For these purposes, a retail investor means a person who is one (or both) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**EU MiFID II**”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014, as amended (the “**EU PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.]

[PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom (the “**UK**”). For these purposes, a retail investor means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, the “**EUWA**”); or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. Consequently no disclosure document required by the FCA Product Disclosure Sourcebook (“**DISC**”) for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.]

[EU MiFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, “**EU MiFID II**”)] [EU MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*consider negative target market*] Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[‘s/s’] target market assessment; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[‘s/s’] target market assessment) and determining appropriate distribution channels.]

[UK MiFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 (as amended, the “**EUWA**”) (“**UK MiFIR**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any [person subsequently offering, selling or recommending the Notes (a “**distributor**”) / distributor] should take into consideration the manufacturer[‘s/s’] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[‘s/s’] target market assessment) and determining appropriate distribution channels.]

[NOTIFICATION UNDER SECTION 309B(1)(c) OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE, AS MODIFIED OR AMENDED FROM TIME TO TIME (the “**SFA**”) –

[Solely for the purposes of its obligations pursuant to Sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001 of Singapore (as modified or amended from time to time, the “SFA”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes [are] / [are not] [“prescribed capital markets products”]/[“capital markets products other than prescribed capital markets products”] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018)] and [are] [Excluded]/[Specified] Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products.)¹

Pricing Supplement dated [date]

[Pearson Funding plc / Pearson Funding LLC] (the “Issuer”)
Legal entity identifier (LEI): [2138001ZJKQ5U81RMY52 / 254900UXWCW9MLG3TQ53]
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the £3,000,000,000 Euro Medium Term Note Programme

unconditionally and irrevocably guaranteed by

Pearson plc
Legal entity identifier (LEI): 2138004JBXWWJKIURC57
(the “Guarantor”)

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Listing Particulars dated 17 April 2026 [and the supplement(s) to it dated [date]] which [together] constitute[s] the base listing particulars (the “**Listing Particulars**”) and must be read in conjunction with the Listing Particulars in order to obtain all the relevant information. The Listing Particulars have been published on the website of the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

- | | | | |
|----|-------|--|---|
| 1. | (i) | Issuer: | [Pearson Funding plc / Pearson Funding LLC] |
| | (ii) | Guarantor(s): | Pearson plc |
| 2. | (i) | Series Number: | [•] |
| | (ii) | Tranche Number: | [•] |
| | (iii) | Date on which the Notes will be consolidated and form a single Series: | [The Notes will be consolidated and form a single Series on [the Issue Date]/[exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 26 below [which is expected to occur on or about [•]]]/[Not Applicable] |
| 3. | | Specified Currency or Currencies: | [•] |
| 4. | | Aggregate Nominal Amount: | |
| | (i) | Series: | [•] |
| | (ii) | Tranche: | [•] |

¹ To be included, if the Notes are to be offered into Singapore and if the Notes are not vanilla fixed rate or floating rate notes, the product classification of the Notes as “prescribed capital markets products” under the SFA may need to be reassessed.

5. Issue Price: [•] per cent. of the Aggregate Nominal Amount [plus accrued interest in respect of the period from, and including, [•] to, but excluding, [•]]
6. (i) Specified Denominations: [•] [and integral multiples of [•] in excess thereof up to and including [•]. Definitive Notes will not be issued in denominations in excess of [•]]
- (ii) Calculation Amount: [•]
7. (i) Issue Date: [•]
- (ii) Interest Commencement Date: [•]/[Issue Date]/[Not Applicable]
8. Maturity Date: [•]/[The Interest Payment Date falling in or nearest to [•]]
9. Interest Basis: [[•] per cent. Fixed Rate]
[[*Reference Rate*] +/- [•] per cent. Floating Rate]
[Zero Coupon]
10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100] per cent. of their nominal amount.
11. Change of Interest Basis: [•]/[Not Applicable]
12. Put/Call Options: [Investor Put]
[Change of Control Redemption]
[Issuer Call Option]
[Issuer Maturity Par Call Option]
[Acquisition Event Call Option]
13. Status of the Notes: Senior
Status of the Guarantee: Senior
14. [[Date [Board] approval for issuance of Notes obtained: [•] [and [•], respectively]]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Note Provisions** [Applicable]/[Not Applicable]
- (i) Rate[(s)] of Interest: [•] per cent. per annum [payable in arrear on each Interest Payment Date]
- (ii) Interest Payment Date(s): [•] [and [•]] in each year up to and including the Maturity Date
- (iii) Fixed Coupon Amount[(s)]: [•] per Calculation Amount
- (iv) Broken Amount(s): [[•] per Calculation Amount payable on the Interest Payment Date falling [in/on] [•]]/[Not Applicable]
- (v) Day Count Fraction: [Actual/Actual (ICMA)]/ [Actual/Actual (ISMA)]/ [Actual/365 (Fixed)]/ [Actual/360]/ [30/360]/
[30E/360]/[Eurobond Basis] [30E/360 (ISDA)]
- (vi) Interest Determination Dates: [[•] in each year]/[Not Applicable]

16. **Floating Rate Note Provisions** [Applicable]/[Not Applicable]
- (i) Specified Period []
 - (ii) Specified Interest Payment Date(s): [] [in each year from (and including) [] up to (and including) [the Maturity Date][], subject in each case to adjustment in accordance with the Business Day Convention specified below]
 - (iii) First Interest Payment Date: [], subject to adjustment in accordance with the Business Day Convention specified above]
 - (iv) Business Day Convention: [Floating Rate/Following Business Day/Modified Following Business Day/Preceding Business Day/No Adjustment]
 - (v) Additional Business Centre(s): []
 - (vi) Party responsible for calculating to Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent) []
 - (vii) Screen Rate Determination:
 - Reference Rate [Compounded Daily SONIA]
[Compounded Daily SOFR]
[Compounded Daily €STR]
[]-month [EURIBOR/[]]
 - Term Rate [Applicable/Not Applicable]
 - Overnight Rate [Applicable/Not Applicable]
 - Index Determination: [Applicable/Not Applicable]
 - Relevant Number: [[5 / []] [[London Banking Days]/[U.S. Government Securities Business Days]/[TARGET Business Days]/[Not Applicable]

(If 'Index Determination' is 'Not Applicable', delete 'Relevant Number' and complete the remaining bullets below)

(If 'Index Determination' is 'Applicable', insert number of days (expected to be five or greater) as the Relevant Number, and the remaining bullets below will each be 'Not Applicable')
 - D: [360/365/[]] / [Not Applicable]
 - Observation Method: [Lag/ Observation Shift/Not Applicable]
 - Lag Period: [5 / [] [London Banking Days] [U.S. Government Securities Business Days] [[City] Banking Days] [TARGET Business Days] [Not Applicable]
 - Observation Shift Period: [5 / [] [London Banking Days] [U.S. Government Securities Business Days] [[City] Banking Days] [TARGET Business Days] [Not Applicable]

(NB: A minimum of 5 relevant business/banking days should be specified for the Lag Period or Observation Shift Period, unless otherwise agreed with the Calculation Agent)

- Interest Determination [] Business Days [in []] prior to the [] day in each Interest Period/each Interest Payment Date(s): Date(s): [The [first/[]] [London Banking Day / [U.S. Government Securities Business Day] / [TARGET Business Day] falling after the last day of the relevant Observation Period][The [first/[]] Banking Day falling after the last day of the relevant Observation Period (where [City] **Banking Day** means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in [City])][]
 - Relevant Screen Page: [] [Not Applicable]
 - (viii) Linear Interpolation: [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
 - (ix) Margin(s): [plus/minus] [] per cent. per annum
 - (x) Minimum Rate of Interest (if any): [] per cent. per annum
 - (xi) Maximum Rate of Interest (if any): [] per cent. per annum
 - (xii) Day Count Fraction: [[Actual/Actual (ISDA)] [Actual/Actual] Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] 30E/360 (ISDA)]
17. **Zero Coupon Note Provisions** [Applicable/Not Applicable]
- (i) Accrual Yield: [•] per cent. per annum
 - (ii) Reference Price: [•]
 - (iii) Day Count Fraction in relation to Early Repayment Amounts: [Actual/Actual (ICMA)]/ [Actual/Actual (ISDA)]/ [Actual/ 365 (Fixed)]/ [Actual/360]/ [30/360]/ [30E/360]/[Eurobond Basis]/ [30E/360 (ISDA)]

PROVISIONS RELATING TO REDEMPTION

18. **Issuer Call Option** [Applicable]/[Not Applicable]
- (i) Optional Redemption Date(s) (Call): [•]
 - (ii) Make Whole Premium: [[•] per cent.]/[Not Applicable]
 - (iii) Reference Treasury: [•]/[Not Applicable]
 - (iv) Treasury Publisher: [•]/[Not Applicable]

- (v) If redeemable in part:
- (a) Minimum Redemption Amount: [•] per Calculation Amount
- (b) Maximum Redemption Amount: [•] per Calculation Amount
- (vi) Notice period: [As set out within Condition 9(c)]/[•]
19. **Issuer Maturity Par Call Option** [Applicable]/[Not Applicable]
- (i) Notice period: [As set out within Condition 9(d)]/[•]
- (ii) Period within which Notes may be redeemed: [As set out within Condition 9(d)]/[•]
20. **Issuer Residual Call Option** [Applicable]/[Not Applicable]
- (i) Residual Call Early Redemption Amount: [•] per Calculation Amount
- (ii) Notice period: [As set out within Condition 9(d)]/[•]
21. **Put Option**
- (i) Optional Redemption Date(s) (Put): [•]
- (ii) Optional Redemption Amount(s) (Put) of each Note: [•] per Calculation Amount
- (iii) Notice period: [•]
22. **Change of Control Redemption** [Applicable]/[Not Applicable]
- (i) Change of Control Payment Date: [•] days after the date of the Change of Control Notice
- (ii) Change of Control Optional Redemption Amount of each Note: [•] per Calculation Amount
23. **Acquisition Event Call Option** [Applicable]/[Not Applicable]
- (i) Acquisition Event Call Period: [The period from (and including) the Issue Date to [•]/[•]].
- (ii) Early Redemption Amount (Acquisition Event Call): [[•] per Calculation Amount / as specified in the Conditions.]
- (iii) Acquisition Target: [•]
24. **Final Redemption Amount of each Note** [•]/[Par] per Calculation Amount
25. **Early Redemption Amount (Tax) and Early Termination Amount payable on redemption for taxation reasons or, as the case may be, on event of default** [•] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

26. **Form of Notes:** **Bearer Notes:**
 [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [•] days' notice/at any time/in

the limited circumstances specified in the Permanent Global Note.]

[Temporary Global Note exchangeable for Definitive Notes on [•] days' notice.]

[Permanent Global Note exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note].

[Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian Law of 14 December 2005.]²

Registered Notes:

[Global Registered Note Certificate exchangeable for Individual Note Certificates on [•] days' notice/at any time/in the limited circumstances specified in the Global Registered Note Certificate]

[[and]]

[Global Registered Note Certificate [(U.S.\$/Euro [•] nominal amount)] registered in the name of a nominee for [a common depository for Euroclear and Clearstream/a common safekeeper for Euroclear and Clearstream (that is, held under the New Safekeeping Structure).]]

- 27. **New Global Note/New Safekeeping Structure:** [Yes]/[No]
- 28. **Additional Financial Centre(s):** [•]/[Not Applicable]
- 29. **Talons for future Coupons to be attached to Definitive Notes:** [No]/[Yes. As the Notes have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are left.]

[THIRD PARTY INFORMATION]

[[*Relevant third party information*] has been extracted from [*specify source*]. The Issuer and the Guarantor confirm that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer

By:
Duly authorised

² Include for Notes that are to be offered in Belgium.

Signed on behalf of the Guarantor

By:
Duly authorised

PART B – OTHER INFORMATION

1. Listing and Admission to trading

Admission to trading: [Application [has been/is expected to be] made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the International Securities Market of the London Stock Exchange with effect from [●].]

2. Ratings

Ratings: [Not Applicable]/[The Notes to be issued [have been]/[are expected to be] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:

[Fitch Ratings Ltd (“**Fitch**”): [●]

[Moody’s Investor Services Limited (“**Moody’s**”): [●]

[insert brief explanation of meaning of ratings if published]

[Each of Fitch and Moody’s is established in the UK and registered under Regulation (EC) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the EUWA (the “**UK CRA Regulation**”). Each of Fitch and Moody’s appears on the latest update of the list of registered credit rating agencies (as of [●]) on the FCA’s Financial Services Register.

Each of Fitch and Moody’s is not established in the EEA and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended, the “**CRA Regulation**”). However, the ratings Fitch and Moody’s have given to the Notes are endorsed by Fitch Ratings Ireland Limited and Moody’s Deutschland GmbH respectively, which are each established in the EEA and registered under the CRA Regulation.]

3. [Interests of Natural and Legal Persons involved in the Offer]

[Save [as discussed in “*Subscription and Sale*” in the Listing Particulars,]/[for any fees payable to the [Managers] [Dealers]], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. [The [Managers] [Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]

4. Reasons for the Offer and estimated net proceeds

Reasons for the offer: [●] [The proceeds of the issue will be used for general corporate purposes].

5. Yield

Indication of yield: [●]

6. Operational Information

(i) ISIN: [●]

(ii) Common Code: [●]

(iii) CFI: [[See/[include code], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the

- responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
- (iv) FISN: [[See/[include code], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
- (v) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [Not Applicable]/[•]
- (vi) Delivery: Delivery [against]/[free of] payment
- (vii) Names and addresses of additional paying agent(s) (if any): [•]
- (viii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,][include this text for registered notes]] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] /
- [No. Whilst the designation is specified as “no” at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper][include this text for Registered Notes]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]
- (ix) Relevant Benchmark[s]: [[specify benchmark] is provided by [administrator legal name]][repeat as necessary]. As at the date hereof, [[administrator legal name][appears]/[does not appear]][repeat as necessary] in the register of administrators and benchmarks established and maintained by the FCA pursuant to Article 36 (*Register of administrators and benchmarks*) of Regulation (EU) 2016/1011 as it forms part of domestic law of the UK by virtue of the EUWA]/[As far as the Issuer is aware, as at the date hereof, the transitional provisions in Article 51 of Regulation (EU) 2016/1011 as it forms part of domestic law of the UK by virtue of the EUWA apply, such that [name of administrator] is not currently required to obtain

recognition or endorsement, or to benefit from an equivalence decision]]/[Not Applicable]

7. Distribution

- (i) If syndicated, names of Managers: [Not Applicable/give names]
- (ii) Stabilisation Manager (if any): [Not Applicable/give name]
- (iii) If non-syndicated, name of Dealer: [Not Applicable/give name]
- (iv) Prohibition of Sales to EEA Retail Investors: [Applicable / Not Applicable]
- (v) Prohibition of Sales to UK Retail Investors: [Applicable/Not Applicable]
- (vi) U.S. selling restrictions: [Reg. S Compliance Category [●]; TEFRA D/TEFRA C/TEFRA not applicable]]

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Clearing System Accountholders

In relation to any Tranche of Notes represented by a Global Note in bearer form, references in the Conditions to “**Noteholder**” are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary, in the case of a CGN, or a common safekeeper, in the case of an NGN, for Euroclear and/or Clearstream and/or any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper.

In relation to any Tranche of Notes represented by a Global Registered Note Certificate, references in the Conditions to “**Noteholder**” are references to the registered holder of the relevant Global Registered Note Certificate which, for so long as the Global Registered Note Certificate is registered in the name of a depositary or a common depositary or common safekeeper for Euroclear and/or Clearstream and/or any other relevant clearing system, will be that depositary or common depositary or common safekeeper or a nominee for that depositary or common depositary or common safekeeper.

Each of the persons shown in the records of Euroclear and/or Clearstream and/or any other relevant clearing system as being entitled to an interest in a Global Note or a Global Registered Note Certificate (each an “**Accountholder**”) must look solely to Euroclear and/or Clearstream and/or such other relevant clearing system (as the case may be) for such Accountholder’s share of each payment made by the relevant Issuer to the holder of such Global Note or Global Registered Note Certificate and in relation to all other rights arising under such Global Note Global Registered Note Certificate. The extent to which, and the manner in which, Accountholders may exercise any rights arising under a Global Note or Global Registered Note Certificate will be determined by the respective rules and procedures of Euroclear and Clearstream and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by the Global Note or the Global Registered Note Certificate, Accountholders shall have no claim directly against the relevant Issuer in respect of payments due under the Notes and such obligations of the relevant Issuer will be discharged by payment to the holder of the Global Note or the Global Registered Note Certificate.

Exchange of Temporary Global Notes

Whenever any interest in a Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the relevant Issuer shall procure:

- (a) in the case of first exchange, the prompt delivery (free of charge to the bearer) of such Permanent Global Note, duly authenticated and, in the case of an NGN, effectuated, to the bearer of the Temporary Global Note; or
- (b) in the case of any subsequent exchange, an increase in the principal amount of such Permanent Global Note in accordance with its terms,

in each case in an aggregate principal amount equal to the aggregate of the principal amounts specified in the certificates issued by Euroclear and/or Clearstream and/or any other relevant clearing system and received by the Principal Paying Agent against presentation and (in the case of final exchange) surrender of the Temporary Global Note to or to the order of the Principal Paying Agent within 7 days of the bearer requesting such exchange.

Whenever a Temporary Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Pricing Supplement), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

If:

- (a) a Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (London time) on the seventh day after the bearer of a Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or

- (b) Definitive Notes have not been delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer of a Temporary Global Note has requested exchange of the Temporary Global Note for Definitive Notes; or
- (c) a Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of a Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver a Permanent Global Note or increase the principal amount thereof or deliver Definitive Notes, as the case may be) will become void at 5.00 p.m. (London time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (London time) on such thirtieth day (in the case of (b) above) or at 5.00 p.m. (London time) on such due date (in the case of (c) above) and the bearer of the Temporary Global Note will have no further rights thereunder.

Exchange of Permanent Global Notes

Whenever a Permanent Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Pricing Supplement), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer of a Permanent Global Note has duly requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) a Permanent Global Note (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Permanent Global Note in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Permanent Global Note will have no further rights thereunder.

Exchange of Global Registered Note Certificates

Whenever a Global Registered Note Certificate is to be exchanged for Individual Note Certificates, each person having an interest in a Global Registered Note Certificate must provide the Registrar (through the relevant clearing system) with such information as the relevant Issuer and the Registrar may require to complete and deliver Individual Note Certificates (including the name and address of each person in which the Notes represented by the Individual Note Certificates are to be registered and the principal amount of each such person's holding).

Whenever a Global Registered Note Certificate is to be exchanged for Individual Note Certificates, the relevant Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Registered Note Certificate within five business days of the delivery, by or on behalf of the registered holder of the Global Registered Note Certificate to the Registrar of such information as is required to complete and deliver such Individual Note Certificates against the surrender of the Global Registered Note Certificate at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Trust Deed and the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled to the Agency Agreement and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

- (a) Individual Note Certificates have not been delivered by 5.00 p.m. (London time) on the thirtieth day after they are due to be issued and delivered in accordance with the terms of the Global Registered Note Certificate; or
- (b) any of the Notes represented by a Global Registered Note Certificate (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the holder of the Global Registered Note Certificate in accordance with the terms of the Global Registered Note Certificate on the due date for payment,

then the Global Registered Note Certificate (including the obligation to deliver Individual Note Certificates) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the holder of the Global Registered Note Certificate will have no further rights thereunder.

Conditions applicable to Global Notes and Global Registered Note Certificates

Each Global Note or Global Registered Note Certificate will contain provisions which modify the Conditions as they apply to the Global Note or Global Registered Note Certificate. The following is a summary of certain of those provisions:

Payments

All payments in respect of the Global Note or Global Registered Note Certificate which, according to the Terms and Conditions of the Notes, require presentation and/or surrender of a Note, Note Certificate or Coupon will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note or Global Registered Note Certificate to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the relevant Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the relevant Issuer shall procure that in respect of a CGN the payment is noted in a schedule thereto and in respect of an NGN the payment is entered *pro rata* in the records of Euroclear and Clearstream.

Calculation of Interest

The calculation of any interest amount in respect of any Note which is represented by a Global Note or Global Registered Note Certificate will be calculated on the aggregate outstanding principal amount of the Notes represented by such Global Note or Global Registered Note Certificate, as the case may be, and not by reference to the Calculation Amount.

Payment Business Day

In the case of a Global Note, or a Global Registered Note Certificate, shall be, if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or, if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

Payment Record Date

Each payment in respect of a Global Registered Note Certificate will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the “**Record Date**”) where “**Clearing System Business Day**” means a day on which each clearing system for which the Global Registered Note Certificate is being held is open for business.

Change of control redemption

In order to offer Notes for purchase by the relevant Issuer under Condition 9(g) (*Change of Control Redemption*) the holder of the Permanent Global Note or Global Registered Note Certificate must, within before the Change of Control Payment Date, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream (which may include notice being given on their instruction by Euroclear or Clearstream or any common depositary for them to the

Principal Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream from time to time and at the same time present or procure the presentation of the Permanent Global Note or Global Registered Note Certificate to the Principal Paying Agent for notation accordingly.

Acquisition Event Redemption

In order to exercise the option contained in Condition 9(h) (*Acquisition Event Redemption*), such option must be specified as applicable in the relevant Pricing Supplement and the relevant Issuer or Guarantor must confirm in writing that they no longer intend to pursue the acquisition of the Acquisition Target specified in the applicable Pricing Supplement during the relevant call period specified in the relevant Pricing Supplement, and the relevant Issuer must give irrevocable notice of not less than 30 nor more than 60 days (or such other period of notice as is specified in the relevant Pricing Supplement as being applicable) to the Noteholders and the Trustee and on doing so, redeem the Notes.

Exercise of put option

In order to exercise the option contained in Condition 9(f) (*Redemption at the option of Noteholders*) the Noteholder must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Principal Paying Agent specifying the principal amount of Notes in respect of which such option is being exercised in accordance with the procedures of Euroclear or, as the case may be, Clearstream. Any such notice will be irrevocable and may not be withdrawn.

Partial exercise of call option

In connection with an exercise of the option contained in Condition 9(c) (*Redemption at the option of the relevant Issuer (Issuer Call Option)*) in relation to some only of the Notes, the Permanent Global Note or Global Registered Note Certificate may be redeemed in part in the principal amount specified by the relevant Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream (to be reflected in the records of Euroclear and Clearstream as either a pool factor or a reduction in principal amount, at their discretion).

Notices

Notwithstanding Condition 18 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) or Global Registered Note Certificate and the Permanent Global Note (or the Permanent Global Note and/or the Temporary Global Note are) or Global Registered Note Certificate is deposited with a depositary or a common depositary for Euroclear and/or Clearstream and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 18 (*Notices*) on the date of delivery to Euroclear and/or Clearstream and/or any other relevant clearing system.

USE OF PROCEEDS

The net proceeds from the issue of each Tranche of Notes will be used for general corporate purposes, or as may otherwise be disclosed in the relevant Pricing Supplement.

DESCRIPTION OF PEARSON FUNDING PLC

General

Pearson Funding plc is a direct wholly-owned subsidiary of the Guarantor. Pearson Funding plc acts as a financing company within the Group. Pearson Funding plc's corporate purposes are to carry on business as a finance company in all its aspects and to carry on any other lawful business activity, in accordance with its Memorandum and Articles of Association. Its registered office and principal administrative office is 80 Strand, London WC2R 0RL, United Kingdom (telephone: +44 20 7010 2000) with Companies House registration number 08422787. Pearson Funding plc was duly incorporated and registered on 27 February 2013. Pearson Funding plc was initially incorporated as a public limited company under the UK Companies Act 2006.

All of the debt held by Pearson Funding plc is guaranteed by the Guarantor and Pearson Funding plc is rated Baa2 by Moody's and BBB by Fitch in line with the Guarantor.

Reporting

Pearson Funding plc produces company only (unconsolidated) financial statements for the year ended 31 December in each year, and Pearson Funding plc's unconsolidated financial statements for the years ended 31 December 2024 and 31 December 2023 are incorporated by reference in these Listing Particulars. Pearson Funding plc has no employees. During 2024 and 2023, the only income statement items were finance income and costs related to external debt and receivables from the Guarantor and taxable income on the loss generated, resulting in a net profit of £22.1 million in 2024 (compared to a net loss of £4.1 million in 2023).

Pearson Funding plc had total share capital of £476,989,000 at 31 December 2024 and 31 December 2023 and a profit and loss account of £89 million at 31 December 2024 and £67 million at 31 December 2023.

Directors of Pearson Funding plc

The following table sets forth information concerning each of the directors of Pearson Funding plc as of the date of these Listing Particulars.

<u>Name</u>	<u>Role</u>
Lynsey Found	Director of Pearson Funding plc; Executive Partner – Financial Reporting of Pearson plc
Stephen John Porter	Director of Pearson Funding plc; Executive Partner – Treasury of Pearson plc
Fiona Muir	Director of Pearson Funding plc; Executive Partner – Tax of Pearson plc

The business address for each of the above directors is Pearson Funding plc's registered office at 80 Strand, London WC2R 0RL, United Kingdom.

No conflicts of interest currently exist between any duties owed to Pearson Funding plc by its directors and their private interests and/or other duties.

DESCRIPTION OF PEARSON FUNDING LLC

General

Pearson Funding LLC is a direct wholly owned subsidiary of Pearson Education, Inc., which is an indirect wholly owned subsidiary of the Guarantor.

Pearson Funding LLC was formed as a limited liability company on 27 March 2026 in the state of Delaware, United States of America with file number 10564663. The address of its registered office is c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801, United States of America.

The operating agreement of Pearson Funding LLC is governed by Delaware law.

Pearson Funding LLC was formed to operate as a finance vehicle for the Group.

Organisational Structure

Pearson Funding LLC is managed by its sole member, Pearson Education, Inc., who manages the business of Pearson Funding LLC subject to constitutional and legislative restrictions.

The address of the registered office of Pearson Education, Inc. is c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801, United States of America. Its principal office, being its main place of business, is 221 River Street, Hoboken, New Jersey 07030, United States of America.

No conflicts of interest currently exist between any duties owed to Pearson Funding LLC by its sole member and its private interests and/or other duties.

DESCRIPTION OF THE GUARANTOR

Information about the Guarantor is incorporated herein by reference from pages 3 to 7 (inclusive) of Pearson's Annual Report on Form 20-F for the year ended 31 December 2025 (see "*Documents Incorporated by Reference*" above).

Pearson

Pearson is the world's lifelong learning company. The Group creates and curates learning content, distributes the content digitally and physically, and builds and verifies skills. The Group creates and manages intellectual property, which it promotes and sells to its customers under well-known brand names. The Group delivers its content in a variety of forms and through a variety of channels, most of which are digital. The Group offers services as well as content, from test creation, administration and processing to teacher development and school software. Though it operates in more than 70 countries around the world, for the year ended 31 December 2025 its largest markets are the United States of America (67 per cent. of sales) and Europe (18 per cent. of sales).

The Guarantor was incorporated and registered in 1897 under the laws of England and Wales as a limited company and re-registered under the UK Companies Act as a public limited company in 1981. The Group conducts its operations primarily through Pearson's subsidiaries and other affiliates. Pearson's principal executive offices are located at 80 Strand, London WC2R 0RL, United Kingdom (telephone: +44 20 7010 2000) and its website address is www.pearson.com.

The Group is a leading provider of educational materials and learning technologies. It provides test development, processing and scoring services to governments, educational institutions, corporations and professional bodies around the world. It publishes across the curriculum and provides a range of education services including teacher development, educational software and system-wide solutions, and also owns and operates colleges and schools.

The Group is run as one global education company, organised around five operating segments (Assessment & Qualifications, Virtual Learning, English Language Learning, Enterprise Learning & Skills and Higher Education).

Directors of the Guarantor

Pearson is managed by a board of directors and a chief executive who reports to the board and manages through an executive committee. Pearson refers to the board of directors, the chairman of the board of directors and the executive committee as its "senior management".

The directors of Pearson are:

Name	Position
Omid Kordestani	Chair
Graeme Pitkethly	Deputy Chair
Omar Abbosh	Chief Executive
Sally Johnson	Chief Financial Officer ³
Sherry Coutu, CBE	Non-Executive Director
Alison Dolan	Non-Executive Director
Alex Hardiman	Non-Executive Director
Arden Hoffman	Non-Executive Director
Esther Lee	Non-Executive Director
Costis Maglaras	Non-Executive Director
Annette Thomas	Non-Executive Director

³ Pearson has announced that Sally Johnson will be stepping down from her role as Chief Financial Officer, Simon Robson will succeed her on 8 May 2026.

The business address for each director of the Guarantor is 80 Strand, London WC2R 0RL, United Kingdom.

There are no potential conflicts of interest between any duties owed to the Guarantor by its directors and their private interests and/or other duties.

TAXATION

The tax laws of the investor's state might have an impact on the tax treatment of income received from the Notes. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes or the Guarantee, as applicable, and the consequences of such actions under the tax laws of those countries.

In this section, notes issued by Pearson Funding plc are referred to as "**Pearson Funding plc Notes**" and notes issued by Pearson Funding LLC are referred to as "**Pearson Funding LLC Notes**" (together with the Pearson Funding plc Notes, the "**Notes**").

UNITED KINGDOM TAXATION

The following is a general description of the United Kingdom withholding tax treatment of payments of interest in relation to the Notes. It is based on what is understood by the Issuers to be United Kingdom law as at the date of these Listing Particulars and the published practice of His Majesty's Revenue and Customs ("**HMRC**") as at the date of these Listing Particulars, which may be subject to changes sometimes with retrospective effect. The comments do not deal with other United Kingdom tax (or any other tax) aspects of acquiring, holding or disposing of Notes. The comments relate only to the position of persons who are absolute beneficial owners of the Notes and some aspects do not apply to certain classes of taxpayer (such as dealers and Noteholders who are connected or associated with the relevant Issuer for relevant tax purposes). Prospective Noteholders should be aware that the particular terms of issue of any series of Notes as specified in the relevant Pricing Supplement may affect the tax treatment of that and other series of Notes. The following is a general guide for information purposes, not a complete analysis, and should be treated with appropriate caution. It is not intended as tax advice and it does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser. The description below does not cover the situation where the relevant Issuer is substituted pursuant to the terms of the Notes or otherwise and does not consider the tax consequences of any such substitution. Prospective Noteholders who are in any doubt as to their tax position should consult their professional advisers.

Prospective Noteholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Notes are advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions). In particular, prospective Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes, even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

Also investors should note that the appointment by an investor in Notes, or any person through which an investor holds Notes, of a custodian, collection agent or similar person in relation to such Notes in any jurisdiction may have tax implications. Investors should consult their own professional advisers in relation to the tax consequences for them of any such appointment.

Withholding Tax

Payments of interest made in respect of Notes which carry a right to interest and are listed on a "recognised stock exchange" within the meaning of section 1005 Income Tax Act 2007 ("**ITA 2007**"), or are admitted to trading on a multilateral trading facility operated by a regulated recognised stock exchange within the meaning of section 987 ITA 2007 may be made without withholding or deduction for or on account of United Kingdom income tax.

Section 987(2)(a) ITA 2007 provides that a "regulated recognised stock exchange" is a recognised stock exchange that is regulated in the United Kingdom, the EEA or Gibraltar. The Notes will be admitted to trading on the ISM, a multilateral trading facility for the purposes of section 987(2)(b) ITA 2007, operated by the London Stock Exchange which is a regulated recognised stock exchange. Accordingly, provided the Notes are and continue to be admitted to trading on the ISM, the Issuer is entitled to make payments of interest on such Notes without deduction for or on account of United Kingdom income tax.

In cases falling outside the exemption described above, interest on Notes may fall to be paid under deduction of United Kingdom income tax at the basic rate (currently 20 per cent. and proposed to rise to 22 per cent. from 6 April 2027), subject to such relief as may be available following a direction from

HMRC pursuant to the provisions of any applicable double taxation treaty, or to any other exemption which may apply.

If Notes are issued at a discount to their principal amount, any such discount element is not subject to any United Kingdom withholding tax. If Notes are redeemed at a premium to principal amount (as opposed to being issued at a discount) then, depending on the circumstances, such premium may constitute a payment of interest for United Kingdom tax purposes and hence be subject to the United Kingdom withholding tax rules outlined above.

Withholding tax on payments by the Guarantor

Depending on the correct legal analysis of payments made by the Guarantor as a matter of United Kingdom tax law, it is possible that payments by the Guarantor would be subject to withholding on account of United Kingdom tax, subject to any applicable exemptions or reliefs (and noting that not all of the exemptions and reliefs set out above would necessarily be applicable).

UNITED STATES TAXATION

The following discussion is a summary based upon present law of certain material U.S. federal income tax considerations for prospective purchasers of the Notes. Other than as specifically provided below, this discussion addresses only Non-U.S. Holders (as defined below) purchasing Notes for cash in an original offering. This discussion is a general summary and assumes that the Notes will be treated as debt for U.S. federal income tax purposes. It is not a substitute for tax advice. This discussion does not address the tax treatment of prospective purchasers subject to special rules, such as banks or other financial institutions, insurance companies, tax-exempt entities, controlled foreign corporations, passive foreign investment companies, dealers in securities or foreign currencies, traders in securities that elect to mark to market, or persons holding the Notes as part of a hedge, straddle, or other integrated financial transaction. This summary does not address the tax laws of any state, local or foreign government. The Issuers and the Guarantor cannot assure the Holders of the Notes that the U.S. Inland Revenue Service (the “**IRS**”) will not challenge one or more of the tax consequences described below.

For purposes of this discussion, a Non-U.S. Holder is a beneficial owner of a Note that is (A) not (i) a citizen or individual resident of the United States for U.S. federal income tax purposes, (ii) a partnership or other entity or arrangement treated as a partnership for U.S. federal income tax purposes, (iii) a corporation or other business entity treated as a corporation organised in or under the laws of the United States or its political subdivisions, (iv) a trust subject to the control of a U.S. person and the primary supervision of a U.S. court or (v) an estate the income of which is subject to U.S. federal income taxation regardless of its source; and (B) not engaged in a trade or business within the United States to which income from a Note is effectively connected.

The U.S. federal income tax treatment of a partner in a partnership that holds Notes will depend on the status of the partner and the activities of the partnership. Partnerships are urged to consult their own tax advisers regarding the specific tax consequences to their partners of owning and disposing of Notes.

Interest and Dispositions

Payments of non-U.S. source interest are generally not subject to U.S. withholding tax. Accordingly, interest paid to a Non-U.S. Holder on a Note issued by Pearson Funding plc will generally not be subject to U.S. withholding tax.

Subject to the discussion below under “—FATCA Withholding”, payments of interest by Pearson Funding LLC to a Non-U.S. Holder will generally not be subject to U.S. withholding tax provided that:

- (i) interest paid on the Note is not effectively connected with the Non-U.S. Holder’s conduct of a trade or business within the United States;
- (ii) the Non-U.S. Holder does not actually or constructively own 10 per cent. or more of the combined voting power of all classes of Pearson Funding LLC’s voting stock;
- (iii) the Non-U.S. Holder is not a controlled foreign corporation as defined in Section 957 of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”) related to Pearson Funding LLC through stock ownership;
- (iv) the Non-U.S. Holder is not a bank receiving interest on the Note on an extension of credit entered into in the ordinary course of its trade or business;

- (v) such interest is not contingent on Pearson Funding LLC's or an affiliate's receipts, sales, income or profits, changes in values of property and is not otherwise described in Section 871(h)(4) of the Code; and
- (vi) on or before the first payment of interest or principal, the Non-U.S. Holder has provided the applicable withholding agent with a valid and properly executed IRS Form W-8 (or successor or substitute therefor) or other appropriate form of certification of non-U.S. status sufficient to establish a basis for exemption under Sections 871(h)(2)(B) and 881(c)(2)(B) of the Code.

If the requirements described above are not satisfied, payments of interest made to a Non-U.S. Holder by Pearson Funding LLC will be subject to 30 per cent. gross basis taxation unless either (x) the Note has a maturity of 183 days or less (taking into consideration unilateral rights to roll or extend) or (y) the beneficial owner of the Note properly establishes its eligibility for the benefits of a tax treaty (generally by providing a properly executed IRS Form W-8BEN or W-8BEN-E claiming such benefits).

Any gain realised by a Non-U.S. Holder on the sale or other disposition of a Note will generally be treated as arising from sources outside the United States and, therefore, will not be subject to U.S. federal income or withholding tax unless (i) such holder is a non-resident alien individual who is present in the United States at least 183 days in the taxable year of the disposition and certain other conditions are met; or (ii) the gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business in the United States (or, if required by an applicable tax treaty, is attributable to a permanent establishment maintained by the Non-U.S. Holder in the United States), in either case, unless an applicable income tax treaty provides otherwise, such gain (which may be offset by certain U.S. source losses) will generally be subject to a 30 per cent. U.S. federal income tax.

Information Reporting and Backup Withholding

Payments of principal and interest on, and proceeds from the sale or other disposition of, Notes issued by Pearson Funding LLC will be subject to information reporting unless the Non-U.S. Holder establishes an exemption (generally, by providing an applicable IRS Form W-8). Payments of principal and interest on, and proceeds from the sale or other disposition of, Notes issued by Pearson Funding plc, effected through a U.S. broker or another middleman with certain connections in the United States, may be subject to information reporting unless the Non-U.S. Holder establishes an exemption.

Payments subject to information reporting may be subject to backup withholding unless the Non-U.S. Holder complies with certification procedures to establish that it is not a U.S. person or otherwise establishes a basis for exemption from backup withholding (generally, by providing an applicable IRS Form W-8). The certification procedures required to claim the exemption from withholding tax on interest, described above, will also be sufficient to avoid backup withholding.

Backup withholding is not an additional tax. Any amount withheld may be credited against a Non-U.S. Holder's U.S. federal income tax liability or refunded to the extent it exceeds such holder's liability and the relevant information is timely furnished to the IRS.

FOREIGN ACCOUNT TAX COMPLIANCE ACT

Pearson Funding plc Notes

Pursuant to Sections 1471 through 1474 of the Code and regulations and other guidance promulgated thereunder (collectively "FATCA"), a "foreign financial institution" (as defined by FATCA) may be required to withhold on certain payments it makes ("foreign passthrough payments") to persons that fail to meet certain certification, reporting or related requirements. A number of jurisdictions (including the United Kingdom) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("IGAs"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Pearson Funding plc Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Pearson Funding plc Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Pearson Funding plc Notes, such withholding would not apply prior to the date that is two years after the date on which final

regulations defining foreign passthrough payments are published in the U.S. Federal Register and Pearson Funding plc Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthrough payments are published generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional Pearson Funding plc Notes (as described under “*Terms and Conditions of the Notes—Further Issues*”) that are not distinguishable from previously issued Pearson Funding plc Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all the Pearson Funding plc Notes, including the Pearson Funding plc Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Pearson Funding plc Notes. In the event any withholding is required pursuant to FATCA or an IGA with respect to payments on the Pearson Funding plc Notes, no person will be required to pay additional amounts as a result of the withholding.

Pearson Funding LLC Notes

Payments to a Non-U.S. Holder of interest on a Note issued by Pearson Funding LLC will generally be subject to a 30 per cent. gross basis withholding tax in the case of interest paid to a “foreign financial institution” or a “non-financial foreign entity” within the meaning of FATCA, unless certain procedural requirements are satisfied and certain information is provided to the IRS or such Non-U.S. Holder complies with certain requirements under laws, regulations or other guidance implementing an intergovernmental agreement between the United States and such Non-U.S. Holder’s home jurisdiction, and certain information is provided to the tax authorities in the Non-U.S. Holder’s home jurisdiction. Under proposed U.S. Treasury Regulations which may be relied upon until final U.S. Treasury Regulations are issued, payments of gross proceeds from the sale, retirement or other disposition of a Note issued by Pearson Funding LLC will not be subject to FATCA withholding.

SUBSCRIPTION AND SALE

Notes may be sold from time to time by either of the Issuers to any one or more of Barclays Bank PLC, HSBC Bank plc, Merrill Lynch International and any other dealers appointed in accordance with the Dealer Agreement (as defined below) (the “**Dealers**”). The arrangements under which Notes may from time to time be agreed to be sold by the relevant Issuer to, and purchased by, Dealers are set out in a dealer agreement dated 17 April 2026 (the “**Dealer Agreement**”) and made between the Issuers, the Guarantor and the Dealers. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the relevant Issuer in respect of such purchase. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

United States of America

The Notes and the Guarantee have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to the registration requirements of the Securities Act and the securities laws of the applicable state or other jurisdiction of the United States. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code, as amended and regulations promulgated thereunder. The relevant Pricing Supplement will identify whether the TEFRA C rules or TEFRA D Rules apply or whether TEFRA is not applicable.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such Tranche purchased by or through it) within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an exemption from registration under the Securities Act.

Prohibition of Sales to EEA Retail Investors

Unless the relevant Pricing Supplement in respect of any Notes specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold, distributed or otherwise made available and will not offer, sell, distribute or otherwise make available any Notes which are the subject of these Listing Particulars as completed by the relevant Pricing Supplement in relation thereto to any retail investor in the EEA. For the purposes of this provision, the expression “**retail investor**” means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of EU MiFID II; or
- (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II.

Prohibition of Sales to UK Retail Investors

Unless the relevant Pricing Supplement in respect of any Notes specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold, distributed or otherwise made available and will not offer, sell, distribute or otherwise make available any Notes which are the subject of these Listing Particulars as completed by the relevant Pricing Supplement in relation thereto to any retail investor in the UK. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is either one (or both) of the following:
 - (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law of the UK by virtue of the EUWA; or
 - (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the POATRs; and
- (b) the expression “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to buy or subscribe for the Notes.

Other UK regulatory restrictions

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

- (a) **No deposit-taking:**

in relation to any Notes having a maturity of less than one year:

 - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
 - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
 - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
 - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the relevant Issuer;
- (b) **Financial promotion:**

it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the relevant Issuer or the Guarantor, as the case may be; and
- (c) **General compliance:**

it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**FIEA**”). Accordingly, each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan or to others for re-offering or re sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan. As used in this paragraph, “resident of Japan” means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

Belgium

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a “**Belgian Consumer**”) and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that these Listing Particulars have not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused any Notes to be made the subject of an invitation for subscription or purchase and it will not offer or sell any Notes or cause any Notes to be made the subject of an invitation for subscription or purchase, and it has not circulated or distributed, nor will it circulate or distribute, these Listing Particulars or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

General

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has (to the best of its knowledge and belief) complied and will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes these Listing Particulars or any Pricing Supplement or any related offering material, in all cases at its own expense. Other persons into whose hands these Listing Particulars or any Pricing Supplement comes are required by the Issuers, the Guarantor and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish these Listing Particulars or any Pricing Supplement or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed “*General*” above.

Selling restrictions may be supplemented or modified with the agreement of the Issuers. Any such supplement or modification may be set out in the relevant Pricing Supplement (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or in a supplement to these Listing Particulars.

GENERAL INFORMATION

Authorisation

The establishment of the Programme was authorised by (i) resolutions of the Board of Directors of Pearson Funding plc passed on 16 April 2026, and (ii) resolutions of the sole member of Pearson Funding LLC passed on 16 April 2026. The giving of the Guarantee was authorised by a resolution of the Standing Committee of the Board of Directors of the Guarantor dated 16 April 2026. The Issuers and the Guarantor have obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

Legal and Arbitration Proceedings

There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuers or the Guarantor are aware), which may have, or have had during the 12 months prior to the date of these Listing Particulars, a significant effect on the financial position or profitability of Pearson Funding plc, Pearson Funding LLC or the Guarantor.

Significant/Material Change

Since 31 December 2025 (or, in the case of Pearson Funding LLC, since its date of incorporation) there has been no material adverse change in the prospects of Pearson Funding plc, Pearson Funding LLC or the Guarantor.

Since 31 December 2025 (or, in the case of Pearson Funding LLC, since its date of incorporation) there has been no significant change in the financial or trading position of Pearson Funding plc, Pearson Funding LLC or the Guarantor.

Auditors

The auditors of Pearson Funding plc are Ernst & Young LLP, 1 More London Place, London SE1 2AF, who have audited Pearson Funding plc's financial statements, without qualification, for each of the financial years ended 31 December 2024 and 31 December 2025. The auditors of Pearson Funding plc have no material interest in Pearson Funding plc.

Since the date of its incorporation, no audited or reviewed financial statements of Pearson Funding LLC have been prepared. Pearson Funding LLC does not have auditors as at the date of these Listing Particulars and is not required to publish financial accounts under the laws of the State of Delaware.

The auditors of the Guarantor are Ernst & Young LLP, 1 More London Place, London SE1 2AF, who have audited the Guarantor's financial statements, without qualification, for each of the financial years ended 31 December 2024 and 31 December 2025. The auditors of the Guarantor have no material interest in the Guarantor.

Ernst & Young LLP are registered to carry out audit work by the Institute of Chartered Accountants of England and Wales.

Documents on Display

For the 12 months following the date of these Listing Particulars, copies of the following documents will, when published in accordance with the ISM Rulebook, be available for inspection by Noteholders at the offices of the Principal Paying Agent and the registered office of the relevant Issuer during usual business hours on any weekday (public holidays excepted):

- (a) a copy of these Listing Particulars;
- (b) the documents incorporated by reference herein;
- (c) the constitutional documents of Pearson Funding plc, Pearson Funding LLC and the Guarantor;
- (d) the Trust Deed, the Agency Agreement and the forms of the Global Notes, the Notes in definitive form, the Coupons and the Talons; and
- (e) any future listing particulars, offering circulars, prospectuses, information memoranda, supplements (including the Pricing Supplement) to these Listing Particulars and any other documents incorporated herein or therein by reference.

Clearing of the Notes

The Notes have been accepted for clearance through Euroclear and Clearstream. The appropriate common code and the International Securities Identification Number in relation to the Notes of each Tranche will be specified in the relevant Pricing Supplement. The relevant Pricing Supplement shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream is Clearstream Banking, S.A. 42 Avenue JF Kennedy, L-1855, Luxembourg.

Interests of the Dealers

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuers and their affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuers and their affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuers or Issuers' affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuers routinely hedge their credit exposure to the Issuers consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Legal Entity Identifier (LEI)

The Legal Entity Identifier (“LEI”) for Pearson Funding plc is 2138001ZJKQ5U81RMY52, the LEI for Pearson Funding LLC is 254900UXWCW9MLG3TQ53 and the LEI for the Guarantor is 2138004JBXWWJKIURC57.

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