

Notice of Annual General Meeting
To be held on 7 July 2004



Notice of the Annual General Meeting to be held on
Wednesday, 7 July 2004 is set out on pages 4 to 7.

The action to be taken by Shareholders is set out on page 2.

20 May 2004



Dear Shareholder

2004 Annual General Meeting

It is my great pleasure to be writing to you enclosing the Notice convening the tenth Annual General Meeting of the Company, to be held at 11 am on Wednesday, 7 July 2004 in the Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1P 3EE.

This year the business to be considered at the Meeting is substantial. The 11 items of 'routine' business include an advisory vote on the Remuneration Report of the Directors (first introduced last year) and motions for the re-election of six directors, including the three new directors appointed during the year, Jon Aisbitt and Jonathan Nicholls (non-executive) and Chris Chambers (executive). Short biographical details of all the directors seeking re-election appear on page 30 of the Annual Report. The Dividend Reinvestment Plan ("DRIP") will again be available to eligible shareholders in respect of the final dividend (Resolution 3) and a brief summary of the procedures applicable appears at the foot of this letter.

There are also seven additional items to be considered, including a proposal for the redenomination of the share capital from Sterling into US Dollars (with attendant changes to the Articles of Association) which the Directors consider would be beneficial for the Company, following the decision to report the Company's financial results in US Dollars in future. Further details and a fuller explanation of these proposals (Resolutions 13 and 14) appear in the Appendix to the Notice of Annual General Meeting.

The other matters for consideration at the Meeting are explained in this letter.

Authority to offer shares in lieu of a cash dividend

Resolution 12 will be proposed to extend, for a further five years, the Directors' present authority to offer members the right to receive shares instead of all or part of any cash dividend. The authority extended in 1999 will lapse soon after this year's AGM and your Board therefore deem it prudent to seek a renewal at this meeting. Further information appears in the Appendix to the Notice of Annual General Meeting.

Directors' power to allot shares and disapplication of pre-emption rights

Resolution 15 will be proposed to continue the Directors' authority to allot the present unissued share capital of the Company up to a maximum of 103,434,640 Ordinary Shares, being slightly under one third of the Company's present issued ordinary share

capital at the date of the Notice of Annual General Meeting. The Board has no present intention of issuing any part of that capital and no issue will be made which would effectively alter control of the Company without the prior approval of Shareholders in general meeting.

Resolution 16 will be proposed to continue the Directors' authority to allot new Ordinary Shares for cash otherwise than in proportion to existing holdings. In the case of allotments other than for inter alia rights issues, the authority is limited to shares representing approximately 5 per cent of the Company's present issued ordinary share capital amounting to a total of 15,515,190 Ordinary Shares.

The authority conferred by Resolutions 15 and 16 will lapse on the earlier of 6 October 2005 and the conclusion of the next Annual General Meeting of the Company. Resolution 15 will be proposed as an Ordinary Resolution and Resolution 16 as a Special Resolution. In both cases provision has been made for the authority to go forward with Sterling values should the redenomination into US Dollars not proceed.

Power to purchase shares

Resolution 17 will be proposed as a Special Resolution to enable the Company to purchase in the market up to a maximum of 31,030,393 Ordinary Shares (approximately 10 per cent of the Company's present issued ordinary share capital) for cancellation at a minimum price of par value per share and a maximum price of not more than 5 per cent above the average middle market quotation for an Ordinary Share as derived from the London Stock Exchange Daily Official List for the five business days immediately prior to the date of purchase. This authority will lapse on the earlier of 6 January 2006 and the conclusion of the next Annual General Meeting of the Company. During the financial year ended 31 March 2004 the Company purchased for cancellation 225,022 issued Ordinary Shares under the authority of last year's Shareholder resolution. Details of the purchases appear in the Annual Report. Again this authority includes Sterling values in case the redenomination into US Dollars does not proceed.

The Directors would not expect to purchase Ordinary Shares in the market unless, in the light of market conditions prevailing at the time, they considered that to do so would enhance earnings per share and would be in the best interests of Shareholders generally. Further, the Directors expect that if any Ordinary Shares were to be purchased, such shares would be cancelled. Any purchases made by the Company will be announced

no later than 7.30 am on the business day following the transaction.

Alteration to Articles of Association

Resolution 18 proposes to increase from £500,000 to £1 million, the maximum aggregate amount payable as remuneration to directors for their services as such, so relates to the remuneration of non-executive directors (including the Chairman) and not remuneration payable to directors in executive office. This figure was last increased at the 2000 AGM since when, three additional non-executive directors in number have been appointed above the four in office at that time.

This increase will allow the Board to ensure that fees payable in future are commensurate with the increasing workload expected of the non-executives. There will also be sufficient headroom to cover a possible future increase in the number of non-executives on the Board.

Action to be taken by Shareholders

Enclosed with this document is a Form of Proxy for use at the Annual General Meeting by Shareholders.

You are asked to complete and sign the form and return it to The Registrar, Man Group plc, Lloyds TSB Registrars, FREEPOST NAT15580, The Causeway, Worthing, West Sussex BN99 6LN so as to arrive no later than 11 am on Monday, 5 July 2004. Alternatively you may register your vote electronically, as explained in the Notes to the Notice of Annual General Meeting.

An attendance card is attached to the Form of Proxy and, for your own convenience, you are requested to bring your attendance card with you to the Meeting. A map showing how to get to the Queen Elizabeth II Conference Centre has also been included.

Recommendation

The Board considers that the resolutions to be proposed at the Annual General Meeting are in the best interests of the Company and recommends you to vote in favour of them, as the Directors intend to do in respect of their own beneficial holdings.

Harvey A McGrath
Chairman

DRIP Summary Procedure

- a **To receive your 2004 Final Dividend in cash where no DRIP Mandate is in force** – take no further action.
- b **To receive your 2004 Final Dividend in cash where a DRIP Mandate is in force** – you must revoke your DRIP Mandate in writing to Lloyds TSB Registrars, The Causeway, PO Box 699, Worthing, West Sussex BN99 6DA by no later than 3.00 pm on 25 June 2004.
- c **To receive DRIP shares for the 2004 Final Dividend and all future dividends where a DRIP Mandate is in force** – take no further action.
- d **To receive DRIP shares for the 2004 Final Dividend and all future dividends where no DRIP Mandate is in force** – complete, sign, date and post a Mandate Form available from Lloyds TSB Registrars (see below) to be received back by Lloyds TSB Registrars no later than 3.00 pm on 25 June 2004.
- e **To receive a future dividend in cash after a DRIP Mandate has been completed** – you must revoke your DRIP Mandate in writing to Lloyds TSB Registrars as explained in the booklet containing the DRIP terms and conditions available either from them or from our website (see below).

All DRIP Mandates must be despatched to Lloyds TSB Registrars, The Causeway, PO Box 699, Worthing, West Sussex BN99 6DA to be received no later than 3.00 pm on 25 June 2004 if they are to be applied to the 2004 Final Dividend. No acknowledgement of the Mandate will be issued. Facsimile, electronic or oral mandates will not be accepted.

Copies of the DRIP terms and conditions and DRIP Mandate may be obtained, up to and including 25 June 2004, from the Share Dividend Team at Lloyds TSB Registrars, The Causeway, PO Box 699, Worthing, West Sussex BN99 6DA. Telephone: 0870 241 3018 or Textphone: 0870 600 3950. Alternatively, copies of the DRIP documents may be downloaded from our website at www.mangrouplc.com under the Dividends Section of Shareholder Information.

Notice of Annual General Meeting

Notice is hereby given that the tenth Annual General Meeting of Man Group plc (“the Company”) will be held in The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1P 3EE on Wednesday, 7 July 2004 at 11am. Resolutions 13, 14 and 16 to 18 will be proposed as Special Resolutions and the remainder as Ordinary Resolutions. Items 1 to 11 are Ordinary Business and items 12 to 18 are deemed Special Business.

Business

- 1 To receive the Directors’ and Auditors’ Reports and the Financial Statements for the year ended 31 March 2004.
 - 2 To approve the Remuneration Report of the Directors contained in the Annual Report 2004 document.
 - 3 To declare a final dividend on the Ordinary Shares.
 - 4 To re-elect J R Aisbitt* as a Director of the Company.
 - 5 To re-elect C M Chambers as a Director of the Company.
 - 6 To re-elect J C Nicholls* as a Director of the Company.
 - 7 To re-elect A J Carnwath* as a Director of the Company.
 - 8 To re-elect H A McGrath# as a Director of the Company.
 - 9 To re-elect G R Moreno* as a Director of the Company.
- * A member of the Audit and Risk, the Nomination and the Remuneration Committees
- # A member of the Nomination Committee and Chairman of the Directors
- 10 To reappoint PricewaterhouseCoopers LLP as Auditors of the Company.
 - 11 To authorise the Directors to determine the remuneration of the Auditors.
 - 12 **Directors’ power to offer Members shares instead of all or part of any cash dividend (Ordinary Resolution)**

THAT the authority conferred on the Directors of the Company by the provisions of Article 137 of the Articles of Association of the Company, to offer Members the right to elect to receive shares, credited as fully paid, in whole or in part, instead of cash, in respect of any dividend declared or paid (as previously extended) be and is hereby further extended to include any dividend or dividends declared or paid on or before the day preceding the fifth anniversary of the date of the passing of this resolution.

13 Share capital reduction, increase and redenomination (Special Resolution)

THAT, subject to the passing as a Special Resolution of Resolution 14 and subject to the spot rate of exchange in London (as derived from Reuters) for the purchase of US Dollars with Sterling at 8.00 am on the day on which the Court order confirming the Reduction (as defined in sub-paragraph a of this Resolution 13) is made (the “£/US\$ Rate”) being no more than 1/1.85:

- a the ordinary share capital of the Company be reduced by cancelling

and extinguishing all of the issued and unissued ordinary shares of 10p each (each ordinary share, an “Existing Ordinary Share”) and the credit arising in the Company’s books of account as a result of such cancellation and extinguishment be transferred to a special reserve of the Company (the “Cancellation Reserve”) and the amount standing to the credit of the Company’s share premium account be cancelled and the credit arising in the Company’s books of account as a result of such cancellation be transferred to a special share premium reserve of the Company (the “Special Reserve”) (together with the cancellation and extinguishment of the Existing Ordinary Shares the “Reduction”);

- b forthwith and contingently upon the Reduction taking effect:
 - (i) the capital of the Company be increased by £50,000 by the creation of 50,000 deferred sterling shares of £1 each (each such share a “Deferred Sterling Share”) having the rights and restrictions set out below:

“Deferred Sterling Shares

(a) Income

The holder of a Deferred Sterling Share shall not be entitled to participate in the profits of the Company.

(b) Capital

The holder of a Deferred Sterling Share shall not have any right to participate in any distribution of the Company’s assets on a winding up or other distribution except that after the return of the nominal amount paid up on every other class of share in the capital of the Company and the distribution of £100,000,000,000 to each holder of such shares there shall be distributed to a holder of a Deferred Sterling Share (for each Deferred Sterling Share held by him) an amount equal to the nominal value of the Deferred Sterling Share.

(c) Voting and General Meetings

A holder of a Deferred Sterling Share shall not be entitled in respect of such holding to receive notice of any general meeting nor to attend, speak or vote at any general meeting.

(d) Class Rights

The Company may from time to time create, allot and issue further shares, whether ranking *pari passu* with, in priority to or deferred to the Deferred Sterling Shares, and such creation,

allotment or issue of any such further shares (whether or not ranking in any respect in priority to the Deferred Sterling Shares and whether or not the same confer on the holders voting rights more favourable than those conferred by the Deferred Sterling Shares) shall be deemed not to involve a variation of the rights attaching to the Deferred Sterling Shares for any purpose. A reduction in the share capital (whether or not issued or fully or partly paid up) of the Company or the other capital reserves of the Company shall not involve a variation of the rights attaching to the Deferred Sterling Shares for any purpose, and the Company shall be authorised at any time to reduce its share capital (whether or not issued or fully or partly paid up) or its other capital reserves (subject in each case to the confirmation of the Court to the extent required by and in accordance with the Act) without obtaining the consent of the holders of the Deferred Sterling Shares.”;

- (ii) upon the recommendation of the Directors, it is desirable to capitalise the sum of £50,000 standing to the credit of the Company’s reserves and, accordingly, the Directors be and they are hereby authorised and directed to appropriate as of the date on which the Court order confirming the Reduction is registered by the Registrar of Companies in England and Wales (the “Effective Date”) but immediately prior to any allotment of US\$ Shares pursuant to sub-paragraph b (vi) of this Resolution 13 taking effect the said sum of £50,000 in paying up in full at par 50,000 Deferred Sterling Shares, and to allot and issue the same, credited as fully paid to the then Chief Executive of the Company, provided that for the purposes of Section 80 of the Companies Act 1985 (the “Act”) such authority shall expire on 7 January 2005;
- (iii) the authorised share capital of the Company be increased by US \$81,000,000 divided into 450,000,000 new ordinary shares (with a nominal value of 18 US cents each (each such share, a “US\$ Share”)) such US\$ Shares to have the same rights and restrictions attached thereto (save as to the amount paid up on each share) as are attached by the Articles of Association of the Company to the Existing Ordinary Shares;
- (iv) the sums standing to the credit of each of the Cancellation Reserve and the Special Reserve be converted into US Dollars at the £/US\$ Rate;

- (v) the sum standing to the credit of the Cancellation Reserve as a result of the conversion referred to in sub-paragraph b (iv) of this Resolution 13 be applied in paying up such number of US\$ Shares as is equal to the aggregate number of issued Existing Ordinary Shares (the "Required Number") in full at par, provided that:
 - (1) if there would otherwise be any surplus amount remaining in the Cancellation Reserve, the Required Number of US\$ Shares shall be paid up at an aggregate premium equal to such remaining amount; and
 - (2) if the sum standing to the credit of the Cancellation Reserve is less than the amount in US Dollars as represents the aggregate amount resulting from the creation of the Required Number of US\$ Shares (the "Shortfall"), on the recommendation of the Directors and notwithstanding anything to the contrary in the Articles of Association, such part of the Special Reserve as is equal to the Shortfall be applied in addition to the Cancellation Reserve to pay up in full at par the Required Number of US\$ Shares;
- (vi) the Required Number of US\$ Shares be allotted and issued credited as fully paid to those persons who appear on the register of members of the Company at 6.30 am on the Effective Date as the holders of the cancelled issued Existing Ordinary Shares in the proportion of one US\$ Share for each issued Existing Ordinary Share held by them; and
- (vii) in addition to and without prejudice to any other authority conferred upon the Directors to allot relevant securities of the Company, the directors be and they are hereby generally and unconditionally authorised pursuant to and for the purposes of Section 80 of the Act to exercise all the powers of the Company to allot the Required Number of the US\$ Shares created by this Resolution 13 (aggregating a maximum nominal amount in US Dollars of relevant securities as is equal to the Required Number multiplied by 18 US cents) and this authority shall expire at the conclusion of the next Annual General Meeting of the Company.

14 "Redenomination" alterations to Articles of Association (Special Resolution)

THAT, forthwith and contingently upon the Reduction referred to in Resolution 13 taking effect and subject to the allotment and issue of the new US\$ Shares and the new Deferred Sterling Shares each referred to in Resolution 13 having been effected, the Articles of Association of the Company be and are hereby amended as follows:

- a by inserting after the expression "'£ or Pounds" means the lawful currency of the United Kingdom of Great Britain and Northern Ireland" in Article 2(22) the following new expression: "and US\$ means United States Dollars";
- b by deleting Article 3 and substituting therefor the following:
"3. The authorised share capital of the Company is US\$81,000,000 divided into 450,000,000 Ordinary Shares of 18 US cents each and £50,000 divided into 50,000 Deferred Sterling Shares of £1 each";
- c by inserting as Article 3A the rights and restrictions attaching to the Deferred Sterling Shares as are set out in Resolution 13 b (i); and
- d by adding at the end of Article 35:
"In the case of an instrument of transfer expressed to be a transfer of shares denominated in Sterling and bearing a date which is on or before the date on which the Court order confirming the reduction of capital approved by special resolution passed at the Annual General Meeting held on 7 July 2004 (or at any adjourned meeting) is registered by the Registrar of Companies in England and Wales, such transfer shall be a transfer of the same number of Ordinary Shares as is specified in such transfer".

15 Directors' power to allot Securities (Ordinary Resolution)

THAT, in addition to and without prejudice to the other authorities conferred by Resolution 13:

- a the Directors be and are hereby, generally and unconditionally, authorised pursuant to and for the purposes of Section 80 of the Act to exercise all the powers of the Company to allot relevant securities (within the meaning of that section) up to an aggregate nominal amount of £10,343,464; and
- b subject to and with effect from the Reduction and associated matters referred to in Resolution 13 becoming effective (the "Redenomination"), in substitution for the authority granted by paragraph a of this Resolution 15 but without prejudice to any prior exercise of such authority, the Directors be and are hereby, generally and unconditionally, authorised pursuant to and for the purposes of Section 80 of the Act to exercise all the powers of the Company to allot relevant securities (within the meaning of that section) up to an aggregate nominal amount of US\$18,618,235.20,

provided that:

- (1) these authorities unless renewed or revoked shall expire on the earlier of 6 October 2005 and the conclusion of the next Annual General Meeting of the Company save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement as if this authority had not expired; and
- (2) all authorities previously conferred under Section 80 of the Act be and they are hereby revoked, provided that such revocation shall not have retrospective effect.

16 Disapplication of pre-emption rights (Special Resolution)

THAT, subject to the passing of Resolution 15:

- a the Directors of the Company be and are hereby empowered pursuant to Section 95 of the Act to allot equity securities (as defined in Section 94(2) of the Act) for cash pursuant to the general authority conferred by Resolution 15 as if Section 89(1) of the Act did not apply to such allotment provided that the power conferred by this Resolution shall be limited to:
 - (i) any allotment of equity securities where such securities have been offered (whether by way of a rights issue, open offer or otherwise) to holders of Ordinary Shares where the equity securities respectively attributable to the interests of all holders of Ordinary Shares are proportionate (as nearly as may be) to the respective numbers of Ordinary Shares held by them, subject to such exclusions and other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory or otherwise howsoever; and
 - (ii) any allotments (otherwise than pursuant to sub-paragraph a (i) above) of equity securities up to an aggregate nominal value not exceeding £1,551,519;

provided that, in the event that the Redenomination (as defined in Resolution 15) shall have become effective the reference in sub-paragraph a (ii) of this Resolution 16 to "£1,551,519" shall be deemed instead to be to "US\$2,792,734.20";

- b the power conferred on the directors by this Resolution 16 shall also apply to a sale of treasury shares, which is an

allotment of equity securities by virtue of Section 94 (3A) of the Act, but with the omission of the words "pursuant to the general authority conferred by Resolution 15" and, unless renewed, shall expire on the earlier of 6 October 2005 and the conclusion of the next Annual General Meeting of the Company; and

- c the Company may make an offer or agreement before this power has expired which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

17 Power to purchase Shares for cancellation (Special Resolution)

THAT the Company is hereby generally and unconditionally authorised pursuant to Section 166 of the Act to make market purchases (within the meaning of Section 163 of that Act) of Ordinary Shares provided that:

- a the maximum number of Ordinary Shares hereby authorised to be purchased is 31,030,393;
- b the minimum price which may be paid for an Ordinary Share is 10p per Ordinary Share;
- c the maximum price which may be paid for an Ordinary Share is an amount equal to 105 per cent of the average of the middle market price shown in the quotations for an Ordinary Share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Ordinary Share is contracted to be purchased;
- d the authority hereby conferred shall expire on the earlier of 6 January 2006 and the conclusion of the next Annual General Meeting of the Company, unless such authority is renewed prior to such time;

- e the Company may make a contract to purchase Ordinary Shares under the authority hereby conferred which will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of Ordinary Shares in pursuance of any such contract; and

- f upon the passing of this Resolution, the Resolution passed as Resolution 10 at the Annual General Meeting on 9 July 2003, shall be of no further force or effect (without prejudice to the completion wholly or in part of any contract by the Company to purchase Ordinary Shares entered into prior to the passing of this Resolution),

provided that, in the event that the Redenomination (as defined in Resolution 15) shall have become effective, without prejudice to any prior exercise of the authority granted by this Resolution 17, the references in this Resolution 17 to "10p" shall be deemed instead to be to "18 US cents or the Sterling equivalent of 18 US cents (calculated on the basis of the spot rate of exchange in London (as derived from Reuters) for the purchase of US Dollars with Sterling at 6.00 pm on the day before the relevant purchase)".

18 Alteration to the Articles of Association (Special Resolution)

THAT the Articles of Association of the Company be and are hereby amended by deleting in Article 87 the reference to "£500,000" and substituting therefor "£1,000,000".

By Order of the Board

Peter L Clarke
Secretary
20 May 2004

Sugar Quay
Lower Thames Street
London EC3R 6DU

Notes

- 1 A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and, on a poll, to vote instead of him. Such proxy or proxies need not be a member or members of the Company. A Form of Proxy is enclosed.
- 2 To be effective, the Form of Proxy, duly completed, must be lodged with the Company at the offices of its Registrars, Lloyds TSB Registrars, FREEPOST NAT15580, The Causeway, Worthing, West Sussex BN99 6LN, so as to be received no later than 11 am on 5 July 2004. The completion and return of a Form of Proxy will not preclude members entitled to attend and vote at the Meeting from doing so in person if they so wish.
- 3 Alternatively, a member may register a proxy appointment electronically via the Lloyds TSB Registrars website www.sharevote.co.uk subject to the terms and conditions shown on the website. The deadline for submission of a proxy in this way is the same as in 2 above.
- 4 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting to be held on 7 July 2004 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in

accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 7RA01) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

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

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

- 5 Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered in the register of members of the Company as at the close of business on 5 July 2004 shall be entitled to attend or vote at the Meeting in respect of the number of Ordinary Shares registered in their name at that time. Changes to entries on the relevant register of securities after the close of business on 5 July 2004 shall be disregarded in determining the rights of any person to attend or vote at the Meeting.
- 6 Copies of the following documents will be available for inspection at the Registered Office of the Company during normal business hours on any weekday (Saturdays and public holidays excepted) from the date of this Notice until 7 July 2004, and at The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1P 3EE from 10.45 am on 7 July 2004 until the conclusion of the Meeting:
 - (i) all Directors' service contracts (other than contracts expiring or determinable within one year by the Company without payment of compensation); and
 - (ii) the register of interests of Directors (and their families) in the shares of the Company.
- 7 Short biographical details of the Directors, including those seeking re-election, appear on page 30 of the Annual Report.

APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING

1 Reasons for the Redenomination

The Directors consider that it would be beneficial for the Company to redenominate its existing ordinary shares into US Dollars (the "Redenomination"), which is the currency in which the Company will report its financial results in future and to reflect the fact that, whilst the Company will continue to have its headquarters in England and be an English company, the Company is largely a US Dollar based business, with US Dollar assets and US Dollar income streams. The proposal is to be effected by the cancellation of the existing ordinary shares (denominated in Sterling) and the issue in their place of new ordinary shares (denominated in US Dollars).

2 Details of the Redenomination

The Redenomination will be implemented by way of a reduction of capital pursuant to Section 135 of the Companies Act 1985. This requires:

- (i) all the ordinary share capital of the Company to be reduced by cancelling and extinguishing all of the issued and unissued ordinary shares of 10p each (each ordinary share, an "Existing Ordinary Share") and the credit arising in the Company's books of account as a result of such cancellation and extinguishment to be transferred to a special reserve of the Company ("the Cancellation Reserve"); and
- (ii) the amount standing to the credit of the Company's share premium account to be cancelled and the credit arising in the Company's books of account as a result of such cancellation to be transferred to a special share premium reserve of the Company (the "Special Reserve") (together with the cancellation and extinguishment of the Existing Ordinary Shares, the "Reduction").

On the day the Reduction takes effect (the "Effective Date") the authorised share capital of the Company will be increased by the amount in US Dollars which is necessary to create such number of new ordinary shares with a nominal value of 18 US cents each (each a "US\$ Share") as is equal to the aggregate number of issued and unissued Existing Ordinary Shares. The US\$ Shares will have the same rights and restrictions attached to them as the Existing Ordinary Shares.

The sum standing to the credit of each of the Cancellation Reserve and the Special Reserve will be converted into US Dollars at the spot rate of exchange for the purchase of US Dollars with Sterling at

8.00 am on the day on which the Court order confirming the Reduction is made (the "£/US\$ Rate"). On the Effective Date the Cancellation Reserve will be applied in paying up such number of US\$ Shares as is equal to the aggregate number of issued Existing Ordinary Shares (the "Required Number") in full at par provided that:

- (i) if there would otherwise be any surplus amount remaining in the Cancellation Reserve, the Required Number of US\$ Shares will be paid up at an aggregate premium equal to such remaining amount; and
- (ii) if the sum standing to the credit of the Cancellation Reserve is less than the amount in US Dollars as represents the aggregate amount resulting from the creation of the Required Number of US\$ Shares (the "Shortfall"), on the recommendation of the Directors and notwithstanding anything to the contrary in the Articles of Association, such part of the Special Reserve as is equal to the Shortfall will be applied in addition to the Cancellation Reserve to pay up in full at par the Required Number of US\$ Shares.

On the Effective Date the Required Number of US\$ Shares will be allotted, issued and credited as fully paid to those persons who appear on the register of members of the Company at 6.30 am on the Effective Date in the proportion of one US\$ Share for each Existing Ordinary Share held by them.

Finally, the Court will require to be satisfied that creditors of the Company will not be adversely affected by the Reduction. An undertaking from the Company to the Court limiting the circumstances in which the amounts standing to the credit of the Special Reserve may be distributed subsequently, will be given by the Company to the Court.

3 Increase of capital

Following the Reduction but before the issue and allotment of any US\$ Shares, the Company will also need to increase its capital by £50,000 by the creation of 50,000 deferred Sterling shares of £1 each (each such share a "Deferred Sterling Share") which shall have very limited and deferred rights. Upon the recommendation of the Directors the sum of £50,000 standing to the credit of the reserves of the Company will be capitalised in paying up in full at par 50,000 Deferred Sterling Shares. The 50,000 Deferred Sterling Shares will be allotted, issued and credited as fully paid shares to the then Chief Executive of the Company.

The Deferred Sterling Shares will be created so that, following confirmation by the Court of the Reduction, the share capital of the Company continues to satisfy the requirements of Section 118 of the Companies Act 1985 that any public company incorporated under the Companies Act 1985 must have a minimum share capital of £50,000. It is the intention that the Deferred Sterling Shares will always be held by a Director of the Company and usually by the Director for the time being holding the office of Chief Executive. However, the Board may in its absolute discretion determine at some future date that the Deferred Sterling Shares be held by a Director of the Company holding an office other than that of Chief Executive. It is not intended that the Deferred Sterling Shares will be listed on any investment exchange.

4 Conditions

The Redenomination will become effective and binding if the following conditions are fulfilled:

- a Resolution 13 set out in the Notice of Annual General Meeting in this document is duly passed as a Special Resolution;
- b the £/US\$ Rate is no more than 1/1.85;
- c the Reduction is confirmed by the Court and an office copy of the Court order together with a minute containing the particulars required by Section 138 of the Companies Act 1985 are registered by the Registrar of Companies in England and Wales; and
- d the UK Listing Authority ("UKLA") has admitted or will admit the relevant US\$ Shares to the Official List and the London Stock Exchange (the "LSE") has admitted the US\$ Shares to the LSE's market for listed securities.

If the above conditions are fulfilled, it is expected that the Redenomination will become effective on 29 July 2004. Shareholders will be notified of the exact date on which the Redenomination becomes effective by an advertisement in the UK press. The Board reserves the right not to take the necessary action to give effect to the Redenomination if it considers such action would not be appropriate or in the best interests of the Company or its Shareholders.

5 Effects of the Redenomination

The financial position of the Company will not be affected by the Redenomination and the Redenomination itself will not reduce the Company's assets, liabilities or overall Shareholders' funds. Each Shareholder will maintain the same

number of shares and percentage interest in the issued share capital as he/she has immediately before 6.30 am on the Effective Date.

6 Dividends

The Company's dividends will continue to be paid in Sterling. All mandates and other instructions in force relating to dividend payments including Dividend Reinvestment Plan ("DRIP") elections will, unless and until revoked, remain in force.

After the Redenomination is implemented, all future dividends mandated to participate in the Company's DRIP will be used to purchase US\$ Shares in Sterling. Any residual dividend entitlements of shareholders held by the Company in respect of DRIP elections made in respect of their holdings of Existing Ordinary Shares (denominated in Sterling) will continue to be carried forward in accordance with the terms and conditions of the DRIP to be applied in purchasing US\$ Shares in Sterling in the future.

7 Share certificates and CREST

Shares held in certificated form on the Effective Date

No new certificates for the US\$ Shares will be dispatched if the Redenomination becomes effective. The share certificates of the Existing Ordinary Shares will remain effective even though the nominal amount of US\$ Shares will then be different from that stated on the existing share certificates.

Shares held in uncertificated form (that is, in CREST) on the Effective Date

If the Redenomination becomes effective, then prior to the commencement of dealings in the US\$ Shares on the LSE, the appropriate stock account in CREST of the relevant shareholder will be credited with such person's entitlement to US\$ Shares and the relevant holding of Existing Ordinary Shares will be cancelled. The US\$ Shares are expected to be eligible to be traded through the CREST system with effect from the date of commencement of dealings on the LSE.

General

There will be no suspension of dealings in London and the register of members of the Company will not close for the purposes of implementing the Redenomination.

8 Dealings and settlement

The US\$ Shares issued to Shareholders will be issued by entry on the register of members of the Company.

Trading arrangements

The US\$ Shares will be quoted on the LSE (and settled) in Sterling, as is the case with the Existing Ordinary Shares. Shareholders, wherever they are resident, will continue to have their dividends paid to them in Sterling unless they have mandated their dividends under the Transcontinental Automated Payment Service ("TAPS") in which case they will continue to receive their dividends in the currency applicable under TAPS.

The Company is a constituent of, and all the issued Existing Ordinary Shares are included in, the FTSE 100 Index. Confirmation has been received indicating that, immediately following the Redenomination, the US\$ Shares in issue will be included, in place of the Existing Ordinary Shares previously in issue, in the FTSE 100 Index.

If the Redenomination becomes effective on 29 July 2004, dealings in the US\$ Shares on the LSE will commence on 29 July 2004. The attention of Shareholders whose shares are held through CREST is drawn to paragraph 7.

9 Taxation

The following statements are intended only as a general guide to current United Kingdom tax legislation and to the current practice of the United Kingdom Inland Revenue. They relate only to persons who are the absolute beneficial owners of the shares, are residents or (if individuals) ordinarily resident in the United Kingdom for tax purposes. Any person who is in any doubt as to his tax position is strongly recommended to consult his professional advisers immediately.

The cancellation of the Existing Ordinary Shares and the issue of the US\$ Shares should not give rise to any liability for UK capital gains tax purposes. For UK capital gains tax purposes the US\$ Shares should be treated as the same asset as a shareholder's holding of the Existing Ordinary Shares.

10 Overseas Shareholders

It is the responsibility of overseas shareholders to ensure that all relevant laws and regulations in overseas jurisdictions applicable to them or their shareholdings (for example exchange control laws or regulations) are complied with, and that they obtain any permissions or consents required to be obtained by them, or make any filings required to be made by them, in overseas jurisdictions.

11 Share Schemes

As a consequence of the Redenomination, all current and future options and awards granted under the Company's employee

share schemes (the "Share Schemes") will relate to US\$ Shares. This change does not require any amendments to be made to the rules of the Share Schemes, although any corporate performance targets currently expressed in Sterling will need to be re-stated in US\$. The Inland Revenue have confirmed that the Redenomination will not affect the tax status of the UK tax approved Share Schemes.

12 Trustee investment status

The Redenomination has no effect in relation to the Trustee Act 2000.

13 Timetable

If circumstances result in the expected timetable being changed, shareholders will be informed by announcement to the UKLA and by advertisement in the UK press, and such announcement will include details of dates relevant for the purposes of dealings and settlement.

14 Resolution 12

The Company operates a DRIP, whereby cash dividends otherwise payable to shareholders will be used to buy shares in the Company, net of costs and expenses. Article 137 of the Articles of Association of the Company allows the Company to issue and allot new shares in the Company in lieu of a cash dividend (a "scrip dividend"). Whilst the Directors have no current intention of using the power under Article 137, the opportunity is being taken with Resolution 12 to seek an extension of the (otherwise time-limited) authority in that Article.

15 Resolution 13

The Redenomination requires shareholder approval. Accordingly the Annual General Meeting of the Company convened for 7 July 2004 will consider Resolution 13 which, if passed, will, subject to the £/US\$ Rate being no more than 1/1.85, reduce the authorised and issued ordinary share capital of the Company denominated in Sterling to nil by cancelling and extinguishing all the issued and unissued Existing Ordinary Shares, transfer the resulting credit arising in the Company's accounts to a Cancellation Reserve of the Company, cancel the Company's share premium account and transfer the resulting credit to the Special Reserve, and forthwith and contingently upon the Reduction taking effect:

- a create 50,000 Deferred Sterling Shares of £1 each, pay such shares up in full at par and allot, issue and credit the same as fully paid shares to the then Chief Executive of the Company (for the purposes described in paragraph 3 above);
- b create 450,000,000 US\$ Shares;

- c apply all of the Cancellation Reserve arising on the Reduction in paying up in full such number of US\$ Shares denominated in US Dollars as is equal to the aggregate number of issued Existing Ordinary Shares; and
- d apply the required balance from the Special Reserve if the Cancellation Reserve is insufficient to pay up in full the US\$ Shares; and
- e allot, issue and credit as fully paid the US\$ Shares to those persons who appear on the register of members of the Company at 6.30 am on the Effective Date in the proportion of one US\$ Share for each Existing Ordinary Share then held by them.

16 Resolution 14

The principal alterations to the existing Articles connected with the Redenomination of the Existing Ordinary Shares into US\$ Shares which are proposed pursuant to Resolution 14 in the Notice of Annual General Meeting are:

- a the Articles will reflect the Redenomination of Existing Ordinary Shares to US\$ Shares and the creation of Deferred Sterling Shares, so that the authorised share capital of the Company will consist of the US\$ Shares and Deferred Sterling Shares (Article 2 (22), 3); and
- b the Articles will also contain certain transitional provisions whereby instruments of transfer expressed to be in respect of transfers of Existing Ordinary Shares and bearing a date on or before the Effective Date will be treated as valid transfers of the same number of US\$ Shares (Article 35).

17 Questions You May Have

How many shares will I own after the Redenomination?

You will own the same number of shares as before.

Will dividends continue to be paid in Sterling after the Redenomination?

Yes, dividends will be paid in Sterling as before except where overseas shareholders have a TAPS overseas dividend mandate in place, when dividends will be paid in accordance with the terms of the TAPS mandate.

Will the shares be quoted on the LSE after the Redenomination?

Yes, the shares will be quoted on the LSE as before.

Will the shares be quoted in Sterling after the Redenomination?

Yes, the shares will be quoted in Sterling as before.

Will I receive a new share certificate after the Redenomination?

No, you will keep the same share certificate as before.

Will I have to do anything about my CREST stock account after the Redenomination?

No, the shares will be credited automatically to the appropriate stock account.

How will I know when the shares have been redenominated?

It will be publicly announced through the UKLA public announcements systems and the UK press.



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