

**Notice of Annual General Meeting**  
To be held on 11 July 2006



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Notice of the Annual General Meeting to be held on Tuesday, 11 July 2006 is set out on pages 3 to 6.

The action to be taken by Shareholders is set out on page 1.

**This document is important and requires your immediate attention.**

**If you are in any doubt as to the action you should take, you should consult immediately your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if you reside elsewhere, by another appropriately authorised financial adviser.**

**If you have sold or otherwise transferred all of your shares in Man Group plc, please send this document and the accompanying documents to the purchaser or transferee of your shares or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.**

1 June 2006



Dear Shareholder

### 2006 Annual General Meeting

It is my great pleasure to be writing to you enclosing the Notice convening the twelfth Annual General Meeting of the Company, to be held at 11.00 am on Tuesday, 11 July 2006 in the Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1P 3EE.

This year, as well as the 'routine' business usually dealt with at the Annual General Meeting, there are six additional items (Resolutions 10 to 15). The routine business includes an advisory vote on the Remuneration Report of the Directors and motions for the re-election of four directors, including Glen Moreno, the Senior Independent non-executive director, who retires annually in accordance with the terms of the Combined Code, having served for more than nine years as a non-executive director. Short biographical details of all the directors seeking re-election appear on pages 58 and 59 of the Annual Report with further relevant information in Note 7 to the Notice of Annual General Meeting. 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.

The six additional items of business (deemed 'special business') include a proposal for the sub-division of the ordinary share capital, from Ordinary Shares of 18 US cents each into Ordinary Shares of 3 US cents each, considered by the Directors to be beneficial for the Company, as the market price per share would be proportionately reduced, which the Directors are advised can facilitate trading in the Company's shares and enhance liquidity. The sub-division will require a small reference change in the Articles of Association. Further details and a fuller explanation of these proposals (Resolutions 10 and 11) appear in Appendix I to the Notice of Annual General Meeting.

The other four items of special business for consideration at the Meeting are explained in this letter.

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

Resolution 12 will be proposed to continue the Directors' authority to allot the present unissued ordinary share capital of the Company up to a maximum of 102,552,144 Ordinary Shares, being slightly under one third of the Company's issued ordinary share capital on 15 May 2006. 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 13 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% of the Company's issued ordinary share capital on 15 May 2006, amounting to a total of 15,382,822 Ordinary Shares.

The authority conferred by Resolutions 12 and 13 will lapse on the earlier of 10 October 2007 and the conclusion of the next Annual General Meeting of the Company. Resolution 12 will be proposed as an Ordinary Resolution and Resolution 13 as a Special Resolution. Provision has been made in Resolution 13 for the proposed sub-division of shares.

### Power to purchase shares

Resolution 14 will be proposed as a Special Resolution to enable the Company to purchase in the market up to a maximum of 30,765,644 Ordinary Shares (approximately 10% of the Company's issued ordinary share capital on 15 May 2006) for cancellation at a minimum price of par value per share and a maximum price of not more than 5% 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 10 January 2008 and the conclusion of the next Annual General Meeting of the Company. During the financial year ended 31 March 2006 the Company purchased for cancellation 5,221,000 issued Ordinary Shares under the authority of last year's Shareholder resolution. Details of the purchases appear in the Annual Report. Again, this authority also provides for the eventuality of the proposed sub-division of shares.

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.

### New Long-Term Incentive Plan

Resolution 15 will be proposed as an Ordinary Resolution to approve the adoption of a new Long-Term Incentive Plan (the '2006 LTIP'). The existing long-term incentive plan was adopted in 1996 and is thus reaching the end of its 10-year life this year. Your approval is therefore sought for the 2006 LTIP to replace it. The 2006 LTIP closely resembles the existing LTIP, although it has been updated to reflect changes in corporate governance best practice over the past decade. Further details of the 2006 LTIP are set out in the Remuneration Report in the accompanying Report and Accounts and a summary of the 2006 LTIP is set out in Appendix 2 to the Notice of Annual General Meeting.

### 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 SEA7144, The Causeway, Worthing, West Sussex BN99 6AQ so as to arrive no later than 11.00 am on Sunday, 9 July 2006. 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 2006 Final Dividend in cash where no DRIP Mandate is in force** – take no further action.
- b **To receive your 2006 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 7 July 2006.
- c **To receive DRIP shares for the 2006 Final Dividend and all future dividends where a DRIP Mandate is in force** – take no further action.
- d **To receive DRIP shares for the 2006 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 7 July 2006.
- 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 7 July 2006 if they are to be applied to the 2006 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 7 July 2006, 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.mangroupplc.com](http://www.mangroupplc.com) under the Dividends Section of Shareholder Information.

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Notice is hereby given that the twelfth 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 Tuesday, 11 July 2006 at 11.00 am. Resolutions 11, 13 and 14 will be proposed as Special Resolutions and the remainder as Ordinary Resolutions. Items 1 to 9 are Ordinary Business and items 10 to 14 are deemed Special Business.

## Business

- 1 To receive the Directors' and Auditors' Reports and the Financial Statements for the year ended 31 March 2006.
- 2 To approve the Remuneration Report of the Directors contained in the Annual Report 2006 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 P L Clarke as a Director of the Company.
- 6 To re-elect K R Davis as a Director of the Company.
- 7 To re-elect G R Moreno\*# as a Director of the Company.
- 8 To reappoint PricewaterhouseCoopers LLP as Auditors of the Company.
- 9 To authorise the Directors to determine the remuneration of the Auditors.

\* A member of the Audit and Risk, the Nomination and the Remuneration Committees

# Senior independent non-executive Director

## 10 Sub-division of Ordinary Shares (Ordinary Resolution)

THAT each of the existing 450,000,000 Ordinary Shares of 18 US cents each in the capital of the Company be and is hereby sub-divided into 6 Ordinary Shares of 3 US cents each, provided that this is conditional upon each such Ordinary Share as is in issue at the date of this Resolution, when so sub-divided:

- a being admitted to the Official List of the Financial Services Authority and to trading on the London Stock Exchange plc's main market for listed securities becoming effective by 8.00 am on Monday 14 August 2006; and
- b maintaining the proportion between the amount paid and the amount, if any, unpaid on any such sub-divided Ordinary Share as existed on the Ordinary Share from which such sub-divided Ordinary Share is derived,

(the 'Sub-division').

## 11 'Sub-division' alteration to Articles of Association (Special Resolution)

THAT, forthwith and contingently upon the Sub-division referred to in Resolution 10 taking effect, the Articles of Association of the Company be and hereby are amended by deleting Article 3 and substituting therefor the following:

"3. The authorised share capital of the Company is US\$81,000,000 divided into 2,700,000,000 Ordinary Shares of 3 US cents each and £50,000 divided into 50,000 Deferred Sterling Shares of £1 each."

## 12 Directors' power to allot securities (Ordinary Resolution)

THAT the Directors of the Company be and are hereby, generally and unconditionally, authorised pursuant to and for the purposes of Section 80 of the Companies Act 1985 ('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 \$18,459,386 provided that:

- a this authority, unless renewed or revoked, shall expire on the earlier of 10 October 2007 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
- b 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.

## 13 Disapplication of pre-emption rights (Special Resolution)

THAT, subject to the passing of Resolution 12 as set out in this Notice of Meeting:

- a the Directors of the Company be and are hereby empowered pursuant to Section 95 of the Companies Act 1985 ('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 12 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 of 18 US cents each in the capital of the Company ('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 \$2,768,907.96;

provided that, in the event that the Sub-division (as defined in Resolution 10) shall have become effective, the reference in sub-paragraph a (i) of this Resolution 13 to '18 US cents' shall be deemed instead to be to '3 US cents';

- b the power conferred on the Directors by this Resolution 13 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 12";
- 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;
- d this power, unless renewed, shall expire on the earlier of 10 October 2007 and the conclusion of the next Annual General Meeting of the Company; and
- e upon the passing of this Resolution, the Resolution passed as Resolution 10 at the Annual General Meeting on 12 July 2005, shall be of no further force or effect (without prejudice to any previous exercise of the authorities granted thereby).
- f upon the passing of this Resolution, the Resolution passed as Resolution 11 at the Annual General Meeting on 12 July 2005, 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 Sub-division (as defined in Resolution 10) shall have become effective, without prejudice to any prior exercise of the authority granted by this Resolution 14, all references to "18 US cents" in this Resolution shall be deemed to be references to "3 US cents" and the maximum number of Ordinary Shares authorised to be purchased under paragraph (a) shall be deemed to be 184,593,864.

#### **14 Power to purchase shares for cancellation (Special Resolution)**

THAT the Company is hereby generally and unconditionally authorised pursuant to Section 166 of the Companies Act 1985 ('the Act') to make market purchases (within the meaning of Section 163 of the Act) of Ordinary Shares of 18 US cents each ('Ordinary Shares') provided that:

- a the maximum number of Ordinary Shares hereby authorised to be purchased is 30,765,644;
- b the minimum price which may be paid for an Ordinary Share is 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) per Ordinary Share;
- c the maximum price which may be paid for an Ordinary Share is an amount equal to 105% 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 10 January 2008 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

#### **15 Approval of new Long-Term Incentive Plan**

THAT the Man Group 2006 Long-Term Incentive Plan (the '2006 LTIP'), the main features of which are summarised in Appendix 2 to the Notice of Annual General Meeting, be and is hereby approved and the Directors of the Company be and are hereby authorised to establish further schemes for the benefit of employees outside the United Kingdom based on the 2006 LTIP but modified to the extent necessary or desirable to take account of non-United Kingdom tax, securities and exchange control laws and regulations, so long as such schemes only operate within the same limits on individual and overall participation as are defined in the 2006 LTIP.

#### **By Order of the Board**

Peter L Clarke  
Secretary  
1 June 2006

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 SEA7144, The Causeway, Worthing, West Sussex BN99 6AQ, so as to be received no later than 11.00 am on 9 July 2006. 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](http://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 11 July 2006 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 9 July 2006 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 9 July 2006 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 11 July 2006, and at The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1P 3EE from 10.45 am on 11 July 2006 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);
  - (ii) the register of interests of Directors (and their families) in the shares of the Company; and
  - (iii) the draft rules of the 2006 LTIP.
- 7 Short biographical details of the Directors, including those seeking re-election, appear on pages 58 and 59 of the Annual Report. In addition the following may be helpful in relation to Resolutions 4 to 7 inclusive.

### Resolution 4

#### Mr J R Aisbitt

Independent non-executive director

As a non-executive director Jon Aisbitt does not have a service contract with the Company. He is a Chartered Accountant and was appointed a non-executive director in August 2003, bringing with him a considerable depth of experience in international corporate finance of particular value to the Group, having been previously a Partner and Managing Director in the Investment Banking Division of Goldman Sachs. He is currently also a non-executive director of Ocean Rig ASA, listed on the Oslo Exchange. Jon is a member of the Audit and Risk, Nomination and Remuneration Committees. A performance evaluation conducted by the Board during the year has shown that Jon Aisbitt continues to contribute effectively and demonstrate commitment to his role whilst retaining his independence in character and judgement. The Board is happy there are no circumstances which are likely to affect, or could appear to affect his judgement as an independent non-executive director. The Board therefore recommends his re-election as a non-executive director.

#### **Resolution 5**

##### **Mr P L Clarke**

Deputy Group Chief Executive, Finance Director and Company Secretary

Peter Clarke has a service contract with the Company with a twelve month notice period. He is a solicitor and joined Man in 1993, becoming Head of Corporate Finance and Corporate Affairs and Company Secretary in 1996. He was appointed to the Board in 1997, became Finance Director in May 2000 and was appointed Deputy Group Chief Executive in November 2005. As a result of the evaluation of Peter Clarke's performance by the Chairman and the Remuneration Committee, the Board concluded that Peter Clarke continues to make an extremely effective contribution and demonstrates total commitment to his role. The Board therefore recommends the re-election of Peter Clarke as an executive director.

#### **Resolution 6**

##### **Mr K R Davis**

Managing Director, Man Financial

Kevin Davis has a service contract with the Company with a twelve month notice period. He joined Man's Brokerage Division in 1991 becoming Managing Director in 1997. He was appointed to the Board in April 2000 with responsibility for the Group's Brokerage Division, Man Financial. As a result of the evaluation of Kevin Davis's performance by the Chairman and the Remuneration Committee, the Board concluded that Kevin Davis continues to make an extremely effective contribution and demonstrates total commitment to his role. The Board therefore recommends the re-election of Kevin Davis as an executive director.

#### **Resolution 7**

##### **Mr G R Moreno**

Senior independent non-executive director

As a non-executive director Glen Moreno does not have a service contract with the Company. He joined the Board in 1994 with a wealth of expertise in the fund management industry having been Chief Executive of Fidelity International, a company of which he remains a non-executive director. In October 2005 he became non-executive Chairman of Pearson plc. He serves on the Audit and Risk, Nomination and Remuneration Committees and was Chairman of the latter until September 2002. As Glen Moreno has served as a director for more than nine years he now retires annually and is subject to a rigorous annual review not only of his performance but also of his independence. The Board has concluded that he continues to make a significant, valuable and challenging contribution to both governance and strategic issues whilst demonstrating a continued strong commitment to his role. Notwithstanding his length of service, the Board, including all the other members deemed independent, is completely satisfied that Glen Moreno remains independent in character and judgement and that there are no relationships or circumstances which are likely to affect or could appear to affect his judgement as a director. For this reason the Board continues to recognise him as the Senior Independent non-executive director and recommends him for re-election as a non-executive director.

## APPENDIX I TO THE NOTICE OF ANNUAL GENERAL MEETING

### 1 Reason for the Sub-division

The Directors consider that it would be beneficial for the Company to sub-divide each of its existing Ordinary Shares of 18 US cents each into six Ordinary Shares of 3 US cents each (the 'Sub-division'), as such action would proportionately reduce the market price of each Ordinary Share, which the Directors are advised can facilitate trading in the Company's shares and enhance liquidity.

### 2 Conditions

The Sub-division will become effective and binding if the following conditions are fulfilled:

- a Resolution 10 set out in the Notice of Annual General Meeting in this document is passed as an Ordinary Resolution;
- b the Financial Services Authority has admitted all the Ordinary Shares created by the Sub-division to the Official List and London Stock Exchange plc (the 'LSE') has admitted such Ordinary Shares to the LSE's main market for listed securities; and
- c the proportion between the amount paid and unpaid (if any) on each Ordinary Share created by the Sub-division being the same as it was on the Ordinary Share from which such sub-divided Ordinary Share is derived.

It is expected that the Sub-division will become effective by 8.00 am on the morning of Monday 14 August 2006 when dealings in the sub-divided Shares are expected to commence, provided the application to the FSA for admission to listing and the application to the LSE for admission to trading are both successful. The Board reserves the right not to take the necessary action to give effect to the Sub-division if it considers such action would not be appropriate or in the best interests of the Company or its Shareholders.

### 3 Effects of the Sub-division

Each Shareholder will maintain the same percentage interest in the issued share capital of the Company as he/she had before the Sub-division became effective and, other than the changes outlined in paragraph 1, the rights attaching to the Ordinary Shares will not be otherwise affected by the Sub-division. The financial position of the Company will not be affected by the Sub-division and the Sub-division itself will not reduce the Company's assets, liabilities or overall Shareholders' funds.

### 4 Share Certificates and CREST

*Shares held in certificated form on the Effective Date*

No new certificates for the sub-divided Ordinary Shares will be dispatched if the Sub-division becomes effective. Instead, on the date the Sub-division is due to become effective, a letter confirming that the Sub-division has become effective will be sent to Shareholders holding Ordinary Shares in certificated form along with adhesive labels and instructions as to how such labels should be affixed by Shareholders onto existing certificates.

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

If the Sub-division becomes effective, then prior to the commencement of dealings in the sub-divided Ordinary Shares on the LSE, the appropriate stock account in CREST of the relevant shareholder will be credited with such person's entitlement to sub-divided Ordinary Shares and the relevant holding of the existing Ordinary Shares will be cancelled. The sub-divided Ordinary 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 Sub-division.

### 5 Dealings and settlement

The sub-divided Ordinary Shares issued to Shareholders will be issued by entry on the register of members of the Company.

*Trading arrangements*

The sub-divided Ordinary Shares will continue to be quoted on the LSE (and settled) in Sterling, as is the case with the existing Ordinary Shares.

The Company is a constituent of, and all the issued existing Ordinary Shares are included in, the FTSE 100 Index. Immediately following the Sub-division, the sub-divided Ordinary Shares in issue will be included, in place of the existing Ordinary Shares previously in issue, in the FTSE 100 Index.

If the Sub-division becomes effective on 14 August 2006 dealings in the sub-divided Ordinary Shares on the LSE will commence on 14 August 2006. The attention of Shareholders whose shares are held through CREST is drawn to paragraph 4.

### 6 Dividends

The payment of the Company's dividends will not be affected by the Sub-division. 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 Sub-division is implemented, all future dividends mandated to participate in the Company's DRIP will be used to purchase sub-divided Ordinary Shares. 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 will continue to be carried forward in accordance with the terms and conditions of the DRIP to be applied in purchasing sub-divided Ordinary Shares in the future.

## 7 Share Schemes

As a consequence of the Sub-division, all current and future options and awards granted under the Company's employee share schemes (the 'Share Schemes') will relate to sub-divided Ordinary Shares. This change does not require any amendments to be made to the rules of the Share Schemes, although any corporate performance targets will need to reflect the Sub-division. The Inland Revenue have confirmed, on condition that the Sub-division is implemented, that the Sub-division will not affect the tax status of the UK tax approved Share Schemes.

## 8 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 Sub-division should not give rise to any liability for UK capital gains tax purposes. For UK capital gains tax purposes the sub-divided Ordinary Shares should be treated as the same asset as a Shareholder's holding of the existing Ordinary Shares.

## 9 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.

## 10 Timetable

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

## 11 Resolution 10

The Sub-division requires shareholder approval. Accordingly the Annual General Meeting of the Company convened for 11 July 2006 will consider Resolution 10 which, if passed, will, subject to the conditions detailed in paragraph 2 above, sub-divide each Ordinary Share of 18 US cents each in the capital of the Company into six Ordinary Shares of 3 US cents each.

## 12 Resolution 11

The only alteration to the existing Articles connected with the Sub-division, proposed pursuant to Resolution 10, is for the Articles to reflect the Sub-division so that the authorised share capital of the Company will consist of Ordinary Shares of 3 US cents each and Deferred Sterling Shares of £1 each (Article 3).

## 13 Questions you may have

### How many shares will I own after the Sub-division?

You will own six times as many shares as before, but the nominal value of your holding and your percentage interest in the share capital of the Company will not have changed.

### Will the shares be quoted on the Official List and traded on the LSE after the Sub-division?

Yes, the shares will be quoted on the Official List and traded on the LSE as before although the price quoted at the commencement of dealings of each sub-divided share is expected to reflect the Sub-division proportionately.

### Will I receive a new share certificate after the Sub-division?

No, you will keep the same share certificate as before. However, on the date the Sub-division is due to become effective, a letter confirming that the Sub-division has become effective will be sent to you along with adhesive labels and instructions as to how you should affix such labels to your existing certificates.

### Will I have to do anything about my CREST stock account after the Sub-division?

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

### How will I know when the shares have been sub-divided?

It will be publicly announced through the FSA public announcements systems.

## APPENDIX 2 TO THE NOTICE OF ANNUAL GENERAL MEETING

### The Man Group 2006 Long-Term Incentive Plan (the '2006 LTIP')

Set out below is a summary of the rules of the 2006 LTIP proposed to be adopted by the Company.

#### *Eligibility*

Awards may be granted to executives of the Company (including executive directors) and its subsidiary companies who are selected by the Remuneration Committee.

#### *Grant of awards*

Awards (which may be either performance awards or matching awards) may normally only be granted in the six weeks beginning with the date on which the 2006 LTIP is approved and adopted by the Company, and thereafter in the six week period following the announcement by the Company of its results for any period. Awards may be granted outside these periods in exceptional circumstances.

Subject to shareholder approval of the 2006 LTIP, it is proposed that the first awards will be granted in 2007. No awards may be granted more than 10 years after the adoption of the 2006 LTIP. Awards are personal to participants and may not be transferred except on death. Awards are not pensionable.

Awards may be made in several forms, as determined by the Remuneration Committee at the date of grant in the light of (for example) accounting and tax consequences. These include: (a) a contingent right to acquire shares at no cost, (b) a nil or nominal priced option, (c) a gift of shares forfeitable in the event that specified conditions are not met or (d) such other form as has substantially the same economic effect.

#### *Individual limit*

The initial value of a performance share award granted in any one financial year will be determined by the Remuneration Committee up to a maximum of 100% of basic salary. The value of each matching award will be equal to the pre-tax amount of any annual bonus which an executive elects to invest in shares, together with the value of any shares purchased by the executive under the Company's Assisted Purchase Scheme (see the Remuneration Report for further details of this scheme whereby, with the approval of the Remuneration Committee, executives can purchase shares from the Group's discretionary trust at market value but on deferred terms).

The number of shares which are the subject of an award will be calculated by dividing the value of the award by the average middle market quotations of the Company's Ordinary Shares on the London Stock Exchange over the 5 dealing days prior to the date of the award.

#### *Overall limits*

The 2006 LTIP contains the following limits on the issue of the Company's shares:

- (i) in any ten-year period, the number of the Company's shares that may be issued or placed under option or award under the 2006 LTIP and under any other executive share scheme established by the Company may not exceed 5% of the issued ordinary share capital of the Company from time to time; and
- (ii) in any ten-year period, the number of the Company's shares which may be issued or placed under option or award under the 2006 LTIP and under any employees' share scheme established by the Company may not exceed 10% of the issued ordinary share capital of the Company from time to time.

Shares may be transferred out of treasury to satisfy awards under the 2006 LTIP, but any shares so transferred will be treated as issued for the purposes of the limits in (i) and (ii) above, unless institutional shareholder guidelines are amended so that this is no longer required. The 2006 LTIP may also operate in conjunction with shares held by the Group's discretionary trust.

#### *Performance condition*

The 2006 LTIP provides that the performance condition shall be as set out below, unless the Remuneration Committee determines that another condition shall apply (the performance condition will apply to both performance awards and matching awards). The proportion of the award, if any, that an executive will ultimately receive will depend upon the Company's performance during a three-year period commencing at the beginning of the financial year in which the award is made (the 'performance period').

Performance will be measured by reference to the level of post-tax return on capital employed ('Return on Equity') over the performance period. No shares will vest if the average Return on Equity is less than 20% per annum. At 20% per annum, 10% of the shares that are the subject of an award will vest, rising on a straight-line basis to 100% vesting for average Return on Equity of 30% per annum and above.

#### *Timing of release*

Shares will not normally be released until the fourth anniversary of the grant date.

#### *Entitlement to dividends*

To the extent that an award vests at the end of the performance period, the Remuneration Committee may decide that a cash amount, equivalent to the dividends that would have been paid on the vested shares since the grant date of the award, will be paid to participants when the shares are released. Alternatively, awards may be granted on terms whereby, in respect of vested shares only, dividends received from the date of grant of the award are deemed to have been reinvested in shares, thus increasing the number of shares to which the award relates.

### *Forfeiture*

In principle, a participant who leaves the Company's service before the release date will forfeit any awards then held by him. In addition, any matching award will be forfeited if the related invested shares are disposed of before the end of the performance period.

### *Cessation of employment*

If a participant ceases employment before an award vests, the following provisions shall apply.

If the participant ceases employment by reason of death, his award will vest immediately based on the Remuneration Committee's assessment of the Company's performance up to the date of death and on the basis that the number of shares in respect of which an award may vest early shall be reduced proportionately on a time basis, unless the Remuneration Committee decides otherwise.

If the participant ceases employment due to ill-health, permanent disability, retirement with the agreement of the employer or redundancy or by reason of his employment being with a company or business which is transferred out of the Group, or for any other reason at the discretion of the Remuneration Committee, the award will vest at the end of the performance period (or the date of termination if later), but only to the extent that the performance conditions have been met over the performance period. The number of shares in respect of which an award may vest shall be reduced proportionately on a time basis, unless the Remuneration Committee decides otherwise. The Remuneration Committee may alternatively allow awards to vest following termination of employment, based on the Remuneration Committee's assessment of the Company's performance up to that time and on the basis that the number of shares in respect of which an award may vest early shall be reduced proportionately on a time basis, unless the Remuneration Committee decides otherwise.

### *Change of control*

In the event of a takeover, reconstruction or winding-up of the Company, shares may be released early on the basis of performance up to the event in question, but with the number of shares in respect of which an award may vest being reduced proportionately on a time basis. The Remuneration Committee has a discretion to vary the number of shares that vest on this basis if it considers it to be appropriate to do so. Internal reorganisations are not treated as a change of control for these purposes.

### *Variation of capital*

In the event of a variation of share capital, the Remuneration Committee may make such adjustments to the number of shares subject to an award as it considers appropriate.

### *Alterations*

The Remuneration Committee has the right to alter the rules of the 2006 LTIP. The prior approval of the Company in general meeting must be obtained in the case of any amendment to the advantage of participants which is made to the provisions relating to eligibility, limits, variations of capital, the maximum entitlement for any one participant and the basis for determining a participant's entitlement to shares. However, any minor amendment to benefit the administration of the 2006 LTIP or to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or any member of the Group, may be made without the prior approval of the Company in general meeting. Any amendment that is to the disadvantage of participants requires their majority consent.

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