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**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

IF YOU ARE IN ANY DOUBT ABOUT ITS CONTENTS OR THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT ADVISER AUTHORISED PURSUANT TO THE FINANCIAL SERVICES AND MARKETS ACT 2000.

IF YOU HAVE RECENTLY SOLD OR TRANSFERRED ALL YOUR ORDINARY SHARES IN LEGAL & GENERAL GROUP Plc, YOU SHOULD PASS THIS DOCUMENT AND OTHER ENCLOSURES TO THE PURCHASER OR TRANSFEREE OR TO THE PERSON THROUGH WHOM THE SALE OR TRANSFER WAS EFFECTED FOR TRANSMISSION TO THE PURCHASER OR TRANSFEREE.



Registered office:  
Legal & General Group Plc  
One Coleman Street  
London  
EC2R 5AA  
*Registered in England and Wales.* No. 1417162

24 April 2009

Dear Shareholder

### **2009 ANNUAL GENERAL MEETING**

I have pleasure in inviting you to the 2009 Annual General Meeting of Legal & General Group Plc (the 'Company') which will be held at The Institution of Engineering and Technology, Savoy Place, London WC2R 0BL at 11.30 a.m. on Wednesday, 27 May 2009 (the 'Annual General Meeting' or 'AGM'). The Notice of the Annual General Meeting, together with explanations of the resolutions, is set out on pages 3 to 15.

At the 2008 Annual General Meeting, a poll was taken on each of the resolutions. The Company believes a poll is more representative of the shareholders' voting intentions because all votes tendered, whether in person, by proxy or through the registered owner, are taken into account. For this reason, each of the resolutions put to the forthcoming Annual General Meeting will be taken on a poll. The results of the poll will be announced to the London Stock Exchange and available on the Company's website as soon as practicable following the conclusion of the meeting.

If you have decided to receive information electronically, via Legal & General's website, please be informed that the 2008 Annual Report and Accounts and Summary Financial Statements, together with documentation relating to the AGM, can now be viewed on our website: <http://investor.legalandgeneral.com>. If you have chosen to receive information in hard copy, please find enclosed the 2008 Annual Report and Accounts or Summary Financial Statements as appropriate. You can change your preference at any time by writing to Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA.

This year, in addition to the Annual General Meeting's regular business, we are taking the opportunity to seek your approval to introduce replacement share plans as a number of existing plans are due to expire in 2009, and, in relation to the Employee Share Plan, in 2011; the proposed resolutions are set out on pages 4 and 5 and the explanatory notes are on pages 11 and 15.

The Shareholder Rights Directive (the 'Directive'), which is due to be implemented in the UK on 3 August 2009, will require all general meetings (other than annual general meetings) to be held on 21 days' notice unless shareholders agree to a shorter period of notice. We are currently able to call general meetings (other than annual general meetings) on 14 days' notice. Accordingly, a resolution at the Annual General Meeting is proposed so that we can continue to call general meetings (other than annual general meetings) on 14 days' notice after the implementation of the Directive.

We have pursued a progressive, but cautious, dividend policy for many years, and we believe this has served our long term shareholders well. In arriving at its dividend recommendation, the Board is obliged to take into account market conditions, future growth expectations and the need to retain a strong capital base. This year, in line with changed market circumstances and our approach we are recommending a reduced final dividend as we sustain our strong capital base and drive cash flow in a most uncertain and unpredictable financial and economic environment.

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**Action to be taken**

Whether or not you are able to attend the Annual General Meeting, your vote is important.

If you are unable to attend, please complete the proxy form which accompanies this Notice in accordance with the instructions and return it to Equiniti by 11.30 a.m. on Saturday, 23 May 2009.

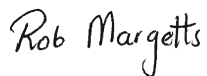
If you prefer, you can submit your proxy electronically either via the Internet or, if you are a CREST member, through the CREST system. Details are set out in the notes to the Notice of Annual General Meeting on pages 6 to 8. Submission of a proxy appointment will not prevent you from attending and voting at the meeting in person should you wish to do so. Further information on how to vote, including the appointment of proxies, is given on pages 6 and 7 of this document.

Explanatory notes on all the business to be considered at the Annual General Meeting appear on page 9 to 15 of this document.

**Recommendation**

Your directors consider that all the proposed resolutions are most likely to promote the success of the Company and its members as a whole. The directors intend to vote in favour of the proposed resolutions in respect of their own beneficial shareholdings and unanimously recommend that you do so as well.

Yours faithfully



Sir Rob Margetts, CBE  
Chairman

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## Notice of Annual General Meeting

Notice is hereby given that the 2009 Annual General Meeting of Legal & General Group Plc (the 'Company') will be held at The Institution of Engineering and Technology, Savoy Place, London WC2R 0BL on Wednesday, 27 May 2009 at 11.30 a.m. in order to consider and, if thought fit, to pass the following resolutions of which Resolution 10, 11 and 12 will be proposed as Special Resolutions and all other resolutions will be proposed as Ordinary Resolutions:-

### **RESOLUTION 1 – REPORT AND ACCOUNTS**

That the audited Report and Accounts of the Company for the year ended 31 December 2008 be received and considered.

### **RESOLUTION 2 – FINAL DIVIDEND**

That a final dividend of 2.05p per Ordinary share in respect of the year ended 31 December 2008 be declared and be paid to shareholders on the register at the close of business on 17 April 2009.

### **RESOLUTION 3 – RE-ELECTION OF DIRECTOR**

That A W Palmer, who retires by rotation, be re-elected as a director.

### **RESOLUTION 4 – RE-ELECTION OF DIRECTOR**

That Sir Rob Margetts C.B.E., who, having held office for 9 years, is standing for re-election in accordance with the Company's articles of association, be re-elected as a director.

### **RESOLUTION 5 – ELECTION OF DIRECTOR**

That M J Gregory be elected as a director.

### **RESOLUTION 6 – RE-APPOINTMENT OF AUDITORS**

That PricewaterhouseCoopers LLP be re-appointed as auditors of the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.

### **RESOLUTION 7 – AUDITORS' REMUNERATION**

That the directors be authorised to determine the auditors' remuneration.

### **RESOLUTION 8 – DIRECTORS' REMUNERATION**

That the Directors' Report on Remuneration for the year ended 31 December 2008 as set out on pages 58 to 69 of the Report and Accounts, be considered and approved.

### **RESOLUTION 9 – RENEWAL OF DIRECTORS' AUTHORITY TO ALLOT SHARES**

That the directors of the Company be and they are hereby generally and unconditionally authorised, pursuant to Section 80 of the Companies Act 1985, to exercise all powers of the Company to allot relevant securities (within the meaning of Section 80 of that Act) up to an aggregate nominal amount of £48,358,855, being 33% of the issued share capital of the Company as at 24 March 2009 (being the last practicable date prior to the publication of this Notice) in substitution for all previous such authorities. This authority shall (unless renewed) expire at the conclusion of the annual general meeting of the Company to be held in 2010, or on 30 June 2010 if earlier, except that the Company may at any time prior to the expiry of such authority make an offer or agreement which would or might require relevant securities to be allotted after the expiry of such authority and the directors may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

### **RESOLUTION 10 – DISAPPLICATION OF PRE-EMPTION RIGHTS**

That, subject to the passing of Resolution 9, the directors of the Company be and they are hereby empowered pursuant to Section 95 of the Companies Act 1985 to allot equity securities (within the meaning of Section 94 of that Act) under the authority conferred by Resolution 9 and/or where such allotment constitutes an allotment of equity securities by virtue of Section 94(3A) of that Act as if Section 89(1) of that Act did not apply to such allotment, provided that this power shall be limited to:-

- (a) the allotment of equity securities in connection with a rights issue, open offer or other pre-emptive offer in favour of shareholders (excluding any shareholders holding shares as treasury shares) where the equity

## **Notice of Annual General Meeting**

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securities are offered to each such shareholder in the same proportion (as nearly as may be) to the number of shares held by each such shareholder (subject to such exclusions or other arrangements as the directors of the Company may think fit in connection with fractional entitlements or legal or practical problems arising in connection with the laws of, or the requirements of any recognised regulatory body or stock exchange in, any territory); and

- (b) the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal value of £7,327,099, being 5% of the issued share capital of the Company as at 24 March 2009 (being the last practicable date prior to the publication of this Notice).

This authority shall expire at the conclusion of the annual general meeting of the Company to be held in 2010, or on 30 June 2010 if earlier, except that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors of the Company may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

### **RESOLUTION 11 – PURCHASE OF OWN SHARES**

That the directors of the Company be and they are hereby granted, pursuant to Article 6 of the Articles of Association of the Company and in accordance with Section 166 of the Companies Act 1985, general and unconditional authority to make market purchases (within the meaning of Section 163 of that Act) of any of the Company's Ordinary shares upon, and subject to, the following conditions:-

- (a) the maximum number of Ordinary shares in the Company hereby authorised to be purchased is 586,167,936 Ordinary shares, being 10% of the issued share capital of the Company as at 24 March 2009 (being the last practicable date prior to the publication of this Notice);
- (b) the minimum price which may be paid for each Ordinary share is 2.5p;
- (c) the maximum price which may be paid for each Ordinary share is an amount equal to the higher of:
  - (i) 105% of the average of the middle market price of an Ordinary share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Ordinary shares are contracted to be purchased; and
  - (ii) the higher of the price of the last independent trade and the highest independent current bid as stipulated by Article 5(1) of Commission Regulation (EC) 22 December 2003 implementing the Market Abuse Directive as regards exemptions for buy-back programmes and stabilisation of financial instruments (No 2273/2003);
- (d) the authority hereby conferred shall (unless renewed prior to such time) expire at the conclusion of the annual general meeting to be held in 2010, or on 30 June 2010 if earlier, except that the Company may at any time prior to the expiry of such authority enter into a contract for the purchase of Ordinary shares which would or might be completed wholly or partly after the expiry of such authority.

### **RESOLUTION 12 – NOTICE OF GENERAL MEETINGS**

That a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

### **RESOLUTION 13 – LEGAL & GENERAL GROUP 2009 SAVINGS-RELATED SHARE OPTION SCHEME**

That:

- (a) the Rules of the Legal & General Group 2009 Savings-Related Share Option Scheme (the 'SAYE Plan') (the principal features of which are summarised on pages 12 and 13 of the document of which this Notice forms a part and a copy of which is produced to the meeting and initialled by the Chairman for the purposes of identification) be and they are hereby approved; and
- (b) the directors of the Company be and they are hereby authorised to establish such further plans for the benefit of employees overseas based on the SAYE Plan, subject to such modifications as may be necessary or desirable to take account of overseas securities laws, exchange control and tax legislation provided that any ordinary shares of the Company made available under such further plans are treated as counting against any limits on individual participation, or overall participation in the SAYE Plan.

**RESOLUTION 14 – LEGAL & GENERAL GROUP 2009 COMPANY SHARE OPTION PLAN**

That:

- (a) the Rules of the Legal & General Group 2009 Company Share Option Plan (the ‘CSOP Plan’) (the principal features of which are summarised on pages 12 to 14 of the document of which this Notice forms a part and a copy of which is produced to the meeting and initialled by the Chairman for the purposes of identification) be and they are hereby approved; and
- (b) the directors of the Company be and they are hereby authorised to establish such further plans for the benefit of employees overseas based on the CSOP Plan, subject to such modifications as may be necessary or desirable to take account of overseas securities laws, exchange control and tax legislation provided that any ordinary shares of the Company made available under such further plans are treated as counting against any limits on individual participation, or overall participation in the CSOP Plan.

**RESOLUTION 15 – LEGAL & GENERAL GROUP 2009 EMPLOYEE SHARE PLAN**

That:

- (a) the Rules of the Legal & General Group 2009 Employee Share Plan (the ‘ESP Plan’) (the principal features of which are summarised on page 12 and on pages 14 to 15 of the document of which this Notice forms a part and a copy of which is produced to the meeting and initialled by the Chairman for the purposes of identification) be and they are hereby approved; and
- (b) the directors of the Company be and they are hereby authorised to establish such further plans for the benefit of employees overseas based on the ESP Plan, subject to such modifications as may be necessary or desirable to take account of overseas securities laws, exchange control and tax legislation provided that any ordinary shares of the Company made available under such further plans are treated as counting against any limits on individual participation, or overall participation in the ESP Plan.

**RESOLUTION 16 – POLITICAL DONATIONS**

That, in accordance with sections 366(2) and 367(3) of the Companies Act 2006, the Company and all companies that are its subsidiaries at any time during the period to which this Resolution relates be and are hereby authorised in aggregate to:

- (a) make political donations to political parties and/or independent election candidates, not exceeding £100,000 in total; and
- (b) make donations to political organisations other than political parties, not exceeding £100,000 in total; and
- (c) incur political expenditure, not exceeding £100,000 in total,

during the period commencing on the date of the passing of this Resolution and ending on the date falling 12 months thereafter, or, if earlier, at the conclusion of the Company’s annual general meeting to be held in 2010. For the purposes of this resolution the terms ‘political donation’, ‘independent election candidates’, ‘political organisation’ and ‘political expenditure’ have the meanings given by the provisions of the Companies Act 2006.

By Order of the Board



G J Timms  
Company Secretary  
24 March 2009

Registered Office:  
Legal & General Group Plc  
One Coleman Street  
London  
EC2R 5AA  
Registered in England and Wales. No. 1417162

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# Notes to the Notice of Annual General Meeting

## **ENTITLEMENT TO ATTEND AND VOTE**

1. The Company specifies, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, that only those shareholders registered on the register of members of the Company as at 6.00 p.m. on Monday, 25 May 2009 or, if the meeting is adjourned, at 6.00 p.m. on the date two days prior to the adjourned meeting shall be entitled to attend and vote at the Annual General Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend or vote at the meeting.

## **APPOINTMENT OF PROXIES**

2. Shareholders are entitled to appoint a proxy to exercise all or any of their rights, to attend and speak and vote on their behalf at the Annual General Meeting. A shareholder may appoint one or more proxies provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder. To appoint a proxy and give proxy instructions, shareholders should use the proxy form which accompanies this Notice. If a proxy form is not enclosed, please contact Equiniti on 0871 384 2118. To appoint more than one proxy, please contact Equiniti on 0871 384 2118 to request additional proxy forms.
3. To be valid, the proxy form appointing a proxy must be:
  - completed and signed; and
  - received by post or (during normal business hours only) by hand by Equiniti by 11.30 a.m. on Saturday, 23 May 2009.

A form of direction is enclosed for holders of Ordinary shares within the Legal & General Electronic Share Service; to be valid, the form of direction must be received by Equiniti no later than 11.30 a.m. on Thursday, 21 May 2009.

Corporate shareholders and joint shareholders should follow the instructions given in the proxy form to ensure that the proxy appointment is valid.

Details on how to change or terminate proxy appointment and/or instructions are given in the notes to the proxy form.

Shareholders who prefer to register the appointment of their proxy electronically via the Internet can do so through the Equiniti website at [www.sharevote.co.uk](http://www.sharevote.co.uk) where full instructions on the procedure are given. The Voting ID, Task ID and Shareholder Reference Number printed on the proxy form will be required to use this electronic proxy appointment system.

Alternatively, shareholders who have already registered with Equiniti on-line portfolio service, Shareview, can appoint their proxy electronically by logging on to their portfolio at [www.shareview.co.uk](http://www.shareview.co.uk) and clicking on 'Company Meetings'. A proxy appointment made electronically will not be valid if sent to any address other than that provided or, if received after 11.30 a.m. on Saturday, 23 May 2009. Please note that any electronic communication found to contain a computer virus will not be accepted.

Completion of a proxy form or other instrument or any CREST Proxy Instruction (as described in paragraphs 6 to 9 below) will not preclude a member from attending and voting at the meeting in person.

4. A vote withheld is not a vote in law, which meant that the vote will not be counted in the calculation of votes 'for' or 'against' the resolution. If no voting indication is given to the proxy or discretion is given to the proxy as to how to vote at the Annual General Meeting, the proxy will vote or abstain from voting as he or she thinks fit.
5. The statement of the rights of shareholders in relation to the appointment of proxies in paragraph 2 and 3 above does not apply to Nominated Persons who have been nominated under section 146 of the Companies Act 2006 to enjoy information rights. The rights described in these paragraphs can only be exercised by shareholders of the Company. A Nominated Person may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

## **Notes to the Notice of Annual General Meeting**

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6. 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 Wednesday, 27 May 2009 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.
7. 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 Euroclear UK & Ireland Limited's ('EUI') specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it relates to the appointment of a proxy or to 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 Equiniti (ID RA19) by no later than 11.30 a.m. on Saturday, 23 May 2009. 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 Equiniti 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.
8. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI 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.
9. 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.

### **CORPORATE REPRESENTATIVES**

10. In order to facilitate voting by corporate representatives at the Annual General Meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the Chairman of the meeting as its corporate representative to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then, on a poll, those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the Chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives ([www.icsa.org.uk](http://www.icsa.org.uk)) for further details of this procedure. The guidance includes a sample form of representation letter if the Chairman is being appointed as described in (i) above.

### **TOTAL VOTING RIGHTS**

11. As at 24 March 2009 (being the last practicable date prior to the publication of this Notice) the Company's issued share capital consists of 5,861,679,365 Ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 24 March 2009 are 5,861,679,365.

### **DOCUMENTS AVAILABLE FOR INSPECTION**

12. Copies of the executive directors' service contracts, deeds of indemnity and copies of letters of appointment of the Chairman and the non-executive directors are available for inspection at the Registered Office during normal business hours on any business day (excluding public holidays) until

## **Notes to the Notice of Annual General Meeting**

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the close of the Annual General Meeting, and will also be available for inspection at the Annual General Meeting venue for 15 minutes before and until the conclusion of the meeting.

13. Copies of the proposed Rules for the New Plans will be available for inspection as from the date of this Notice during normal business hours on any business day (excluding public holidays) until the close of the Annual General Meeting, at the offices of Slaughter and May, One Bunhill Row, London EC1Y 8YY, at the Registered Office of the Company and also at the Annual General Meeting venue for 15 minutes before the Annual General Meeting until it ends.
14. You may not use any electronic address provided either:
  - in this notice of Annual General Meeting; or
  - any related documents (including the Chairman's letter and proxy form),to communicate with the Company for any purposes other than those expressly stated.



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## Explanation of Resolutions

Resolutions 1 to 9 and 13 to 16 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed more than half the votes cast must be in favour of the resolution. Resolutions 10 to 12 are proposed as special resolutions. This means that for each of those resolutions to be passed at least three-quarters of the votes cast must be in favour of the resolution.

### **RESOLUTION 1 – REPORT AND ACCOUNTS**

The directors of the Company are required by company law to present the accounts, the directors' report and the auditors' report on the accounts to the meeting.

### **RESOLUTION 2 – FINAL DIVIDEND**

The Board is recommending to shareholders a final dividend of 2.05p for 2008.

### **RESOLUTIONS 3 TO 5 – RE-ELECTION AND ELECTION OF DIRECTORS**

The Board and its directors participate in an annual evaluation process, the aim of which is to assess the effectiveness of the Board's collective performance as well as the contributions of the individual directors.

The Board is currently undertaking an evaluation for the current year which will be completed by April 2009. Following the previous evaluation, the Board agreed an action plan. As part of the action plan, consideration was given to the balance and composition of the Board with a view to ensure an appropriate balance and a good mix of skills and experience that would facilitate the achievement of the Company's strategy. Executive directors are subject to an annual appraisal and to regular review of their performance by the Group Chief Executive. In the case of the Chairman, feedback was delivered by the senior independent director.

As part of its regular evaluation, the Board considers the Chairman's availability and his capacity to undertake his role, against the background of his other commitments. The Board remains satisfied that the Chairman continues to be able to fulfil the normal time commitments required of his role and has the personal commitment and capacity to make himself available when unforeseen circumstances arise.

A summary of the directors' biographical details is outlined on page 49 of the Company's 2008 Annual Report and Accounts and has been replicated here for those directors seeking election or re-election.

**Andrew Palmer**, Group Director (Finance), Committee Membership: GRCC, GCC, CCC, GIRC, IMRC, ORAC. Aged: 55

Andrew was appointed to the Board in January 1996, having joined Legal & General in 1988. Andrew is a non-executive director and Chairman of the Audit Committee for SEGRO Plc, Chairman of the Association of British Insurers (ABI) Financial Regulation and Taxation Committee and of the ABI's Financial Reporting Panel. Former roles include: Group Director (Corporate Business) and Group Director (Services).

**Sir Rob Margetts CBE**, Chairman, Committee Membership: NC, RC. Aged 62

Rob was appointed as a non-executive director in June 1996 and Chairman in February 2000. He is also Chairman of Ensus Limited, Ordnance Survey and Energy Technologies Institute and a non-executive director of Anglo American plc, Falck Renewables Plc and Neochimiki SA and Trustee of the Council for Industry and Higher Education and the Brain Research Trust. Former roles include: Chairman of BOC Group Plc, Chairman of the Natural Environment Research Council and Vice Chairman of ICI Plc.

**Mark Gregory**, Group Executive Director, Committee Membership: GRCC, GIRC, GCC, IMRC. Aged: 45

Mark was appointed to the Board in January 2009. He joined Legal & General in 1998. Since then he has held a variety of divisional finance director roles and has served as Group Financial Controller, Communications and Resources Director, Resources and International Director and UK Service Operations Director. Since 2006, he has been Managing Director, With-Profits. Prior to joining Legal & General, he had worked in senior financial and business development roles at companies including Kingfisher Plc and ASDA.

## Explanation of Resolutions

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### Key to Committee Memberships:

AC	Audit Committee
CSR	Corporate Social Responsibility Committee
GCC	Group Capital Committee
GIRC	Group Insurance Risk Committee
GRCC	Group Risk & Compliance Committee
IMRC	Group Investment & Market Risk Committee
NC	Nominations Committee
RC	Remuneration Committee

The Nominations Committee has reviewed and recommended to the Board the election or re-election of each of the directors referred to above. The Chairman is seeking re-election and is considered to be independent. All the directors continue to make an effective and valuable contribution to the Board and demonstrate commitment to their respective roles.

The Board unanimously recommends the election and re-election of the directors referred to in Resolutions 3 to 5 above.

### **RESOLUTIONS 6 AND 7 – RE-APPOINTMENT AND REMUNERATION OF THE AUDITORS**

Resolution 6 seeks to re-appoint PricewaterhouseCoopers LLP as auditors of the Company and Resolution 7 seeks authorisation for the directors to agree the auditors' remuneration.

### **RESOLUTION 8 – DIRECTORS' REPORT ON REMUNERATION**

Pursuant to The Directors' Remuneration Report Regulations 2002, the Company is required to put a resolution to approve the directors' report on remuneration for the financial year, to the shareholders in general meeting. The report includes details of the members of the Remuneration Committee, the Company's policy on directors' remuneration, a performance graph showing the Company's Total Shareholder Return performance compared to the FTSE 100 index Total Shareholder Return over the last five years, details of directors' service contracts and disclosures relating to each director's remuneration.

The report for the year ended 31 December 2008 is set out on pages 58 to 69 of the Report and Accounts 2008.

### **RESOLUTION 9 – RENEWAL OF DIRECTORS' AUTHORITY TO ALLOT SHARES**

This resolution seeks to allow the directors to allot Ordinary shares in the Company and will replace the existing authority. The new authorisation will last until the annual general meeting in 2010, or on 30 June 2010 if earlier.

The maximum amount that can be allotted under this authority is £48,358,855 nominal value of shares which is equivalent to 33% of the issued share capital at 24 March 2009 (being the last practicable date prior to the publication of this Notice).

The directors currently have no intention of issuing further share capital, other than pursuant to the exercise of options under employees' share schemes.

### **RESOLUTION 10 – DISAPPLICATION OF PRE-EMPTION RIGHTS**

The effect of this resolution is to replace the existing authority to allow the directors to allot Ordinary shares in the Company for cash, and to transfer shares held in treasury, without first offering them to existing shareholders in proportion to their holdings. Any allotment or transfer under this authority may be up to a maximum aggregate of £7,327,099 nominal value of shares which is equivalent to 5% of the issued share capital at 24 March 2009, (being the last practicable date prior to the publication of this Notice). It is not intended, without prior consultation with the Investment Committees of the Association of British Insurers and the National Association of Pension Funds, to issue or transfer in this way more than 7.5% of the issued share capital in any rolling three year period. The resolution will also authorise the directors to allot shares in connection with a rights issue, open offer or other pre-emptive offer otherwise than strictly *pro rata* where practical considerations, such as fractional entitlements and foreign securities laws, make this desirable. The authority under this resolution will last until the next annual general meeting in 2010, or on 30 June 2010 if earlier.

Both Resolutions 9 and 10 are consistent with the recommendations of the Investment Committees of the Association of British Insurers and the National Association of Pension Funds.

## **Explanation of Resolutions**

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The directors have no current intention of issuing further share capital, other than pursuant to the exercise of options under employees' share schemes.

### **RESOLUTION 11 – PURCHASE OF OWN SHARES**

This resolution seeks to allow the Company to make market purchases of up to 586,167,936 of its own Ordinary shares representing 10% of the Company's issued share capital at 24 March 2009 (being the last practicable date prior to the publication of this Notice) at prices not less than 2.5p per Ordinary share and not more than (i) 5% above the average of the middle market price taken from the London Stock Exchange Daily Official List for the five business days before each purchase, and (ii) the price stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation (EC No. 2273/2003). The authority under this resolution will continue until the Annual General Meeting in 2010, or on 30 June 2010 if earlier.

At the Annual General Meeting of the Company held on 14 May 2008 a special resolution was passed by shareholders allowing the Company to make market purchases of up to 611,414,917 of its own Ordinary shares, representing 10% of the Company's issued share capital as at the last date that the figures were available prior to the preparation of the 2008 AGM notice, being 17 March 2008. During the year ended 31 December 2008, 449,891,914 Ordinary shares (representing 7.68% of the Company's issued share capital as at 31 December 2008) were purchased for a consideration of £520m (£522.7m including expenses) at an average price of £1.16 per share. Since the year end, no Ordinary shares have been repurchased for cancellation.

The Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 allow companies to hold shares purchased from the market in treasury for cash sale at a later date or for employees under an employees' share scheme with a view to a possible reissue at a future date, as an alternative to cancelling them. If the Company were to purchase any of its own shares, it would consider holding some of them as treasury shares principally to satisfy prospective requirements under employees' share scheme. The Company does not currently hold any treasury shares.

The total number of options to subscribe for Ordinary shares outstanding at 24 March 2009 (being the last practicable date prior to the publication of this Notice) was 52,989,956. This represents 0.904% of the issued Ordinary share capital at that date. If the Company were to buy back the maximum number of Ordinary shares permitted pursuant to the passing of Resolution 11, then the total number of options to subscribe for shares outstanding at 24 March 2009 (being the last practicable date prior to the publication of this Notice) would represent 1% of the reduced issued Ordinary share capital.

The directors do not currently have any intention of exercising the authority sought by this resolution. The directors will only exercise the authority to purchase Ordinary shares where they consider that such purchases will be in the best interests of shareholders generally and will result in an increase in earnings per Ordinary share.

### **RESOLUTION 12 – NOTICE OF GENERAL MEETINGS**

This resolution is required to reflect the proposed implementation in August 2009 of the Shareholder Rights Directive ('the Directive'). The regulation implementing this Directive will increase the notice period for general meetings of the Company to 21 days. The Company is currently able to call general meetings (other than annual general meetings) on 14 clear days' notice and would like to preserve this ability. In order to be able to do so after August 2009, shareholders must have approved the calling of meetings on 14 days' notice. Resolution 12 seeks such approval. The approval will be effective until the Company's next annual general meeting, when it is intended that a similar resolution will be proposed. The Company will also need to meet certain requirements for electronic voting under the Directive before it can call a general meeting on 14 days' notice.

### **RESOLUTION 13 TO 15 – LEGAL & GENERAL'S SHARE PLANS**

The Company currently operates the Legal & General 1999 Executive Share Option Scheme, the Legal & General 1999 Company Share Option Plan, the Legal & General 1999 Savings-Related Share Option Scheme and the Legal & General Group Employee Share Plan (the "Existing Plans"). The Existing Plans are due to expire in 2009 and, in relation to the Legal & General Group Employee Share Plan, in 2011. The Company considers it is important for employees to continue to have the opportunity to acquire shares in the Company and is therefore seeking shareholder approval to introduce the following replacement plans: Legal & General Group 2009 Savings-Related Share Option Scheme ('SAYE'), Legal & General Group 2009 Company Share Option Plan ('CSOP'), and Legal & General Group 2009 Employee Share Plan ('ESP') (together the 'New Plans').

The New Plans are materially the same as the Existing Plans. The principal terms of the New Plans are summarised below.

### Common Terms

#### Plan limits

Shares can be issued under any of the New Plans. In any 10 year period, not more than 10% of the issued ordinary share capital of the Company may be issued or committed to be issued under all employee share plans operated by the Company. In addition, in any 10 year period, not more than 5% of the issued ordinary share capital of the Company may be issued or committed to be issued under discretionary share plans adopted by the Company. These limits do not include rights to shares that have lapsed or been surrendered, or partnership shares acquired by participants under the ESP.

#### Operation of the New Plans

The New Plans will normally only be operated within 42 days of:

- adoption by the Company;
- any announcement of results to the London Stock Exchange;
- the day on which the New Plans are formally approved by HM Revenue & Customs; and
- other exceptional circumstances arising.

The New Plans will cease to operate in 10 years, or earlier if the Directors so decide.

#### Amendments to the New Plan rules

The Directors may amend the New Plans as they consider appropriate, subject generally to the prior approval of HM Revenue & Customs. In addition, shareholder approval will be required to amend certain provisions to the advantage of participants. These provisions relate to: eligibility; individual and plan limits; option price (where applicable); rights attaching to the options or awards; adjustment of options or awards on variation in the Company's share capital and the amendment powers.

The Directors can, without shareholder approval:

- make amendments to the New Plans to obtain or maintain HM Revenue & Customs approval;
- make minor amendments to benefit the administration of the New Plans or which relate to any changes in legislation, or which will obtain or maintain favourable tax, exchange control or regulatory treatment for any participating company or any participant; and
- adopt further plans, based on the New Plans, to take account of tax, exchange control or securities laws which apply to non-UK employees.

#### Change of control, merger or other reorganisations

On a take-over, scheme of arrangement, merger or certain other corporate reorganisations, options can generally be exercised early. Alternatively, participants may be allowed to exchange their options for options over shares in the acquiring company. Performance conditions, where applicable, will apply in these circumstances.

#### General

Any ordinary shares issued under the New Plans will rank equally with shares of the same class in issue on the date of allotment, except in respect of rights arising by reference to a prior record date. Options or awards may be adjusted following any variation in the share capital of the Company. Options and awards granted under the New Plans are not transferable. Benefits under the New Plans are not pensionable.

#### (a) SAYE

##### Outline

SAYE is an all-employee plan under which employees may be invited to apply for options to acquire ordinary shares in the Company. The number of shares over which the option is granted is determined by the amount that the employee commits to save under a savings contract. SAYE will be approved by HM Revenue & Customs.

### Eligibility

All UK employees and full-time directors of the Company and any participating subsidiary may participate in SAYE. However, the Directors may set a qualifying period of continuous employment, which cannot exceed five years, for eligibility. When SAYE is operated, all eligible employees must be invited to participate. In addition, the Directors may offer participation to any other employees.

### Savings contract

Under SAYE, participants are granted an option over ordinary shares in the Company and must enter into a savings contract, in connection with the option, to save between £5 and £250 per month by deduction from their salary. Ordinary shares can normally only be acquired with the amount saved, plus any interest or bonus.

### Option price

The Directors set the option price which must not be less than 80% of the market value of an ordinary share on the business day before the date of invitation, or on the date specified in the invitation, or the average market value over the three preceding business days.

### Exercise of options

Options are normally exercisable during the six months after the end of the savings contract. Options may, however, be exercised early in certain circumstances. These include, for example, an employee leaving because of ill-health, retirement, death or redundancy or where the company or business for which he works leaves the Group. On cessation of employment for other reasons, options will normally lapse.

## (b) CSOP (Approved and Unapproved)

### Outline

Under the CSOP, options can be granted at market value. UK approved options can be granted under the rules as summarised below, subject to such modifications as are necessary to comply with the relevant UK tax legislation. There is currently no intention to grant options under the CSOP. However, to the extent that options are granted in the future, it is envisaged that the exercise of such options will be subject to the achievement of performance conditions determined at the time of grant.

### Eligibility

Employees and executive directors of the Company and any participating subsidiary are eligible to participate in the CSOP. The Remuneration Committee will decide which employees are to be granted options and the number of ordinary shares under each option.

### Performance Conditions

The Remuneration Committee may impose conditions which must be satisfied before the exercise of any option; such conditions will be in accordance with ABI guidelines. The Remuneration Committee may amend these performance conditions in certain circumstances.

### Option price

The option price must not be less than the market value of the shares on the business day before the date of grant or, if the Remuneration Committee so decides, the average market value of the shares over the 3 preceding business days before the date of grant. The option price of an option to subscribe must not be less than the nominal value of the shares.

### Individual limits

The aggregate market value (at the time of the grant) of all options granted to any one person under the CSOP and any other discretionary share option plan in any year will not exceed his annual earnings, except in exceptional circumstances. A participant may not hold options granted under the CSOP or any other HM Revenue & Customs approved discretionary plan over more than £30,000-worth of shares (valued at date of grant), but options may be granted in excess of that limit on an unapproved basis.

### Exercise of options

Options will normally be exercisable, subject to any performance condition being satisfied, between three and ten years after grant. However, options may be exercised early, subject to performance conditions having been met, in certain circumstances. These include an employee leaving because of ill-health, retirement, death or redundancy or where the company or business for which he works leaves the Group. Unless the Directors decide otherwise, options will lapse on cessation of employment for other reasons.

### (c) ESP

#### Outline

The ESP allows employees to be awarded free ordinary shares in the Company and to use savings deducted from salary to buy partnership shares. The ESP may also offer dividend reinvestment. This will allow the Directors to implement the plan in the way they consider most appropriate for the Company. It is currently intended to use the ESP to provide partnership, matching and free shares. The ESP operates in conjunction with a trust, which will hold ordinary shares on behalf of participants. The ESP will be approved by HM Revenue & Customs.

#### Eligibility

All employees and executive directors of the Company and any participating subsidiary may participate in the ESP. The Directors may set a qualifying period of continuous employment, which cannot exceed 18 months, for eligibility. When the ESP is operated, all eligible employees must be invited to participate. In addition, the Directors may offer participation to any other employees.

#### Free Shares

Participants can be given free ordinary shares ('free shares') with a market value limited by tax legislation, currently £3,000 a year. The free shares must generally be offered to all eligible employees on similar terms but the number of free shares can vary by reference to the participant's remuneration, length of service or hours worked. The Directors may make the awards of free shares subject to performance targets. Free shares must generally be held in trust for between three and five years. The Directors may require free shares to be forfeited if the participant leaves employment within three years, other than through death, retirement, redundancy, injury or disability, or his employing company or business being sold out of the Group.

#### Partnership Shares

Employees may be offered the opportunity to buy ordinary shares ('partnership shares') by deduction from their pre-tax salary. Under current legislation, they can buy up to £1,500 in each tax year (£125 a month) or, if less, 10% of salary. The trustee may use the deductions from the participant's salary to buy partnership shares on their behalf immediately. Alternatively, it may accumulate them for a period of up to one year and then use them to buy partnership shares at the end of the period. If this happens, participants will be allocated partnership shares by reference to the lower of their market value at the beginning and end of the period. Participants can stop their salary deductions at any time. Any sums repaid will be subject to tax. Participants can also withdraw partnership shares from the plan at any time, although there are tax advantages if the partnership shares are retained in the plan.

#### Matching Shares

The Directors may award additional free ordinary shares ('matching shares') on a matching basis to participants who buy partnership shares. Under current legislation, a maximum of two matching shares can be awarded for each partnership share purchased by the participant. Matching shares must be offered on the same basis to each participant purchasing partnership shares on each occasion. Matching shares must generally be held in trust for a holding period of between three and five years. The Directors may decide that matching shares will be forfeited on the same basis as free shares or if the corresponding partnership shares are taken out of the plan.

#### Dividends

Cash dividends paid on ordinary shares held in the plan may be reinvested in ordinary shares up to certain limits set out in the legislation.

### **Voting Rights**

The trustees can only vote shares held in the plan in accordance with participants' instructions.

### **General Offers**

If a general offer is made to the shareholders of the Company, participants may direct the trustees how to act in respect of any shares held on their behalf.

### **RESOLUTION 16 – POLITICAL DONATIONS**

Section 366 of the Companies Act 2006 (the 'Act') requires companies to seek shareholder approval for donations to organisations within the European Community which are, or could be, categorised as EU political organisations. The Company does not make and does not intend to make donations to political parties within the normal meaning of that expression. However, the provisions of the Act regarding political donations and political expenditure are capable of having wide meanings and may catch activities such as funding seminars to which politicians are invited and supporting certain bodies involved in policy review and law reform. The Company is seeking shareholders' authority under Resolution 16 as a precautionary measure to avoid an inadvertent infringement of the Act.

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## Definitions

Act	The Companies Act 1985 or the Companies Act 2006 as the context requires
AGM	Annual General Meeting
Company	Legal & General Group Plc
Combined Code	The Combined Code on Corporate Governance issued in June 2006
Listing Rules	The Listing Rules of the UK Listing Authority
New Plans	Legal & General Group 2009 Savings-Related Option Scheme ('SAYE'), Legal & General Group 2009 Company Share Option Plan ('CSOP') and Legal & General Group 2009 Employee Share Plan ('ESP')
Ordinary shares	Legal & General Group Plc ordinary shares of 2.5p each
Ordinary Resolution	A resolution passed by more than 50% of the votes cast
Special Resolution	A resolution passed by at least 75% of the votes cast



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