

# 2011

## ANNUAL GENERAL MEETING

2.30pm on Wednesday 25 May 2011  
at The Honourable Artillery Company,  
Armoury House, City Road, London EC1Y 2BQ

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

**AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL INDEPENDENT ADVISER AUTHORISED PURSUANT TO THE FINANCIAL SERVICES AND MARKETS ACT 2000.**

**IF YOU HAVE RECENTLY SOLD OR TRANSFERRED ALL OF YOUR ORDINARY SHARES PLEASE PASS THIS DOCUMENT, TOGETHER WITH ALL ACCOMPANYING DOCUMENTS, TO THE PURCHASER OR TRANSFEREE OR TO THE PERSON THROUGH WHOM THE SALE OR TRANSFER WAS EFFECTED FOR TRANSMISSION TO THE PURCHASER OR TRANSFEREE.**

RISK. SAVINGS.  
INVESTMENT MANAGEMENT.

  
**Legal &  
General**

# OUR RESULTS.

## HIGHLIGHTS

### NET CASH GENERATION<sup>1</sup>

**£728m**

**VERSUS 2010 TARGET OF £600m**

(2009: £699m)

### WORLDWIDE SALES

**£1.8bn APE**

**UP 28%** (2009: £1.4bn)

### RETURN ON EQUITY

**18.2%** (2009: 22.2%)

### INSURANCE GROUPS DIRECTIVE (IGD) CAPITAL SURPLUS<sup>2</sup>

**£3.7bn** (2009: £3.1bn)

### FULL YEAR DIVIDEND

**4.75p** (2009: 3.84p)

### FINANCIAL STRENGTH<sup>3</sup>

**AA-**

### FINAL DIVIDEND

**3.42p** (2009: 2.73p)

**TO BE PAID ON 1 JUNE 2011**

### TOTAL SHAREHOLDER RETURN



## CONTENTS

- 02** Results highlights
- 03** Chairman's report
- 04** Group Chief Executive's review
- 05** Board biographies
- 06** Notice of Annual General Meeting
- 09** Explanatory notes to the resolutions
- 13** Shareholder information
- 15** Shareholder offers

<sup>1</sup> Net cash generation is defined as operational cash generation less new business strain for the UK non-profit Risk and Savings businesses.

<sup>2</sup> Figures after accrual of proposed dividend, based on draft unaudited regulatory returns.

<sup>3</sup> Standard & Poor's Financial Strength rating for Legal & General Assurance Society Limited. As at 16 March 2011.



For more information and further content please visit our website [legalandgeneralgroup.com](http://legalandgeneralgroup.com)

# WELL POSITIONED FOR GROWTH.



**“Increasing demand for our products and a measured increase in market confidence have seen the Group exceed its financial targets in 2010.”**

## A PROMISING YEAR

In the 2009 report I outlined the difficult economic conditions experienced during the year and highlighted the encouraging position in which we entered 2010. I am pleased to say that we capitalised on this positive start and have delivered strong results across the Group.

We have continued to strengthen our balance sheet and have attracted more customers, distribution partners and high quality employees to the Group throughout the year.

Increasing demand for our products and a measured increase in market confidence have seen the Group exceed its financial targets in 2010, and we are well placed for continued success.

## SHAREHOLDER RETURN AND DIVIDEND

The FTSE All-Share Index gained 11% over the year. Our total shareholder return (TSR) for 2010 was 25% (2009: 11%).

This year in recognition of the strong results achieved by the Group in 2010 and a positive outlook for our company, the Board is recommending an increase in the final dividend of 25% to 3.42p per share, payable on 1 June 2011. With the interim dividend of 1.33p this will bring total dividends for 2010 to 4.75p.

## SHAREHOLDER COMMUNICATIONS AND ANNUAL GENERAL MEETING (AGM)

Over 90% of our shareholders no longer receive printed versions of our Annual Report, viewing the information online. This has allowed us to improve shareholder communications and our online report has been highly commended for a number of years.

This year's AGM will be held at 2.30pm on Wednesday 25 May 2011 at The Honourable Artillery Company, Armoury House, City Road, London EC1Y 2BQ.

## OUTLOOK

Although we expect UK economic growth to remain subdued in 2011 we are seeing increasing opportunities in our markets.

We have carried strong business momentum into 2011 which, together with increasing consolidation in a number of our markets, underpins our confidence in the continued success of the Group going forward.

**JOHN STEWART  
CHAIRMAN**

# DELIVERING ON OUR STRATEGY.



**“Our results for 2010 demonstrate that we are successfully delivering both improvements to cash generation and growth in sales.”**

We are successfully executing our strategy of growing the business, controlling operational costs and deploying our capital more effectively. Our results for 2010 demonstrate that we are able to deliver both improvements in cash generation and growth in sales. The Group achieved £728m of net cash generation in 2010, above that delivered in 2009 (£699m) and well ahead of the target set for the year. Meanwhile, worldwide sales of £1.8bn exceeded the figure achieved last year by 28%.

In Risk, we broadened our reach with several new or extended distribution partnerships for our protection and annuity products. We have also increased levels of direct sales and seen an increase in our market share of intermediated mortgage distribution. Our expertise in pricing and underwriting has enabled further growth in the scale and profitability of this business.

We have built a modern Savings business with a lower structural cost base. Increasing numbers of customers are placing their savings with Legal & General for increasing periods of time. As assets under administration grow, the business is also driving margin improvements.

LGIM's strategy is to build on its position as the largest manager of assets for UK pension funds and grow its low cost, high service, low investment risk model into other markets with successes already in the US, the Middle East and mainland Europe.

Our International businesses delivered more cash to the Group through increased dividends, and we made changes in the US to deploy capital more effectively through the execution of the first phase of our US capital management programme. Our joint venture in India is progressing well.

Our diversified distribution platform continues to thrive. Only 39% of UK new business was written through retail Independent Financial Advisers (IFAs) and within that segment we are increasing our focus on IFAs who have evolved their model to maximise the opportunities offered by the FSA Retail Distribution Review (RDR).

Bancassurance partners delivered 24% of new business in the UK where we continue to build relationships across the banking sector. Fee-based employee benefit consultants provided 32% of new business in the period and tied and direct distribution accounted for 5% of sales. Our distribution model remains well diversified and is a source of strength and differentiation for the Group.

## OUTLOOK

As a market leading manufacturer of risk, savings, and investment management products we see strong growth opportunities for the Group in 2011 and beyond.

In the UK, a combination of state retrenchment, an ageing population, increased household saving and continued de-risking activity by pension trustees will drive growth across protection, annuities, savings and LGIM. Overseas, we see opportunities to export our bancassurance based savings model into other emerging markets.

**TIM BREEDON**  
GROUP CHIEF EXECUTIVE

# BOARD BIOGRAPHIES.

## BIOGRAPHIES OF THOSE DIRECTORS SEEKING ELECTION/RE-ELECTION.

### **Nigel Wilson,**

#### **Group Chief Financial Officer.**

Nigel was appointed to the Board on 1 September 2009. Prior to joining Legal & General, Nigel was Chief Financial Officer of United Business Media Limited (from 2001) and appointed Deputy Chief Executive in 2008. Nigel was appointed as a non-executive director of The Capita Group plc in 2010. Previous appointments include non-executive director of Halfords Group Plc, Group Finance Director at Waste Management International Plc, Chief Executive, Corporate, Guinness Peat Aviation (G.P.A.), Head of Corporate Finance and Group Commercial Director of Dixons Group Plc, Managing Director of Stanhope Properties Plc and a consultant at McKinsey & Co.

### **John Stewart,**

#### **Chairman.**

John was appointed Chairman of the Company on 1 March 2010. He is a member of the Court of the Bank of England and a non-executive director of Telstra Corporation. He is also Chairman of Southern Cross Stud. Former roles include: Chief Executive of Woolwich (1996-2000), Deputy CEO of Barclays (2000-2003) and Chief Executive of National Australia Bank (2004-2008). He was also a director of the Business Council Australia, a Member of the Australian Prime Minister's Task Group on Emissions Trading, a member of the Australian Federal Attorney General Business – Government Advisory Group on National Security, and a member of Scottish Enterprise's International Advisory Board.<sup>2,3,4</sup>

### **Tim Breedon,**

#### **Group Chief Executive.**

Tim was appointed to the Board in January 2002 as Group Director (Investments) and became Group Chief Executive in January 2006. He joined Legal & General in 1987 and former roles include Managing Director (Index Funds). Tim was appointed Chairman of the Association of British Insurers in 2010, having been a director since 2007. Former directorships include the Investment Management Association and the Financial Reporting Council.

### **Rudy Markham,**

#### **Independent Non-Executive Director.**

Rudy was appointed to the Board in October 2006. He is Chairman of Moorfields Eye Hospital NHS Foundation Trust, a non-executive director of Standard Chartered Plc and Chair of its Audit Committee, a non-executive director of the Financial Reporting Council, United Parcel Service Inc, UCL Partners Ltd and AstraZeneca Plc and was appointed a director of CSM in January 2011. He is also a non-executive director of the board of the UK Foreign and Commonwealth Office and is a member of the Leverhulme Trust Board. Former roles include: Chief Financial Officer, Director of Strategy and Technology and Treasurer of Unilever Plc; Chair and CEO of Unilever Japan; and Chair of Unilever Australia.<sup>2,3,4</sup>

### **Mark Gregory,**

#### **Group Executive Director (Savings).**

Mark was appointed to the Board in January 2009. He joined Legal & General in 1998 and has held a variety of divisional finance director roles and served as Group Financial Controller, Communications and Resources Director, Resources and International Director and UK Service Operations Director. From 2006, he was 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.

### **John Pollock,**

#### **Group Executive Director (Risk).**

John was appointed to the Board in December 2003, having joined Legal & General in 1980. John's former roles include: Director, UK Operations; Managing Director, Legal & General Asia and various posts in Product Management, Sales, Customer Services and IT.

### **Dame Clara Furse,**

#### **Independent Non-Executive Director.**

Clara was appointed to the Board in June 2009. She is a non-executive director of Nomura Holdings Inc. and a number of its FSA regulated subsidiaries and Amadeus IT Holdings S.A. Former roles and directorships include: Chief Executive of London Stock Exchange (2001-2009); during this period, Clara was also a director of Euroclear plc, LCH Clearent Group Ltd, Fortis and a member of the Shanghai International Financial Advisory Council.<sup>2,4</sup>

### **Nick Prettejohn,**

#### **Independent Non-Executive Director.**

Nick was appointed to the Board in November 2010. Nick's former roles include positions with NFC Plc, Apax Partners and Bain & Company, and Chief Executive of Lloyd's of London. More recently between 2006-2009 he was Chief Executive of Prudential UK & Europe responsible for UK Life and Pensions Business. Nick is also Chairman of the Britten-Pears Foundation and a trustee of the Royal Opera House Covent Garden.<sup>1,2,3,4</sup>

### **Henry Staunton,**

#### **Independent Non-Executive Director.**

Henry was appointed to the Board in May 2004. He is a non-executive director of Standard Bank plc and The Merchants Trust plc and was appointed as a non-executive director of W H Smith PLC and Capital & Counties Properties plc in 2010. Former roles include: Finance Director of ITV Plc and Granada Group Plc; Chairman of Ashted Group Plc and non-executive director of EMAP Plc, Independent Television News Limited, Ladbrokes Plc, New Look Retail Group Ltd and Vector Hospitality Plc.<sup>1,2,4</sup>

### **Mike Fairey,**

#### **Independent Non-Executive Director.**

Mike Fairey will be appointed to the Board from 1 May 2011. He is currently Chairman of Horizon Acquisition Company Plc, a non-executive director of Northern Rock Plc, Danske Bank AS, Vertex Group Limited, The Energy Saving Trust and Chairman of the Lloyds TSB Group Pension Trust Ltd. Former roles include Deputy Group Chief Executive of Lloyds TSB Group Plc and Group Director for Central Services of Lloyds TSB Group Plc. Mike will be joining the Audit, Remuneration and Nominations Committees.

### **Key to committee membership**

<sup>1</sup> Member of the Audit Committee

<sup>2</sup> Member of the Nominations Committee

<sup>3</sup> Member of the Remuneration Committee

<sup>4</sup> Member of the Group Risk Committee

# NOTICE OF ANNUAL GENERAL MEETING.

Notice is hereby given that the 2011 Annual General Meeting ('AGM') of Legal & General Group Plc (the 'Company') will be held at The Honourable Artillery Company, Armoury House, City Road, London EC1Y 2BQ on Wednesday 25 May 2011 at 2.30pm. Registration will open at 1.30pm and tea, coffee and pastries will be served until the start of the meeting. The purpose of the meeting is to consider and, if thought fit, to pass the following resolutions of which resolutions 19, 20 and 21 will be proposed as special resolutions and all other resolutions will be proposed as ordinary resolutions.

Ordinary resolution means that for each of the resolutions to be passed, more than half of the votes cast must be in favour of the resolution.

Special resolution means that for each of the resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

Your directors are of the opinion that each resolution to be proposed at the AGM is in the best interests of shareholders as a whole, and unanimously recommend shareholders to vote in favour of all resolutions, as they intend to do in respect of their own shareholdings.

The formal resolutions are below, followed by the explanatory notes given in respect of each resolution.

## Resolution 1 – Report And Accounts

That the audited report and accounts of the Company for the year ended 31 December 2010 together with the Directors' report and the Auditor's report on those accounts be received and adopted.

## Resolution 2 – Final Dividend

That a final dividend of 3.42p per ordinary share in respect of the year ended 31 December 2010 be declared and be paid on 1 June 2011 to shareholders on the register of members at the close of business on 26 April 2011.

## Resolution 3 – Election Of Director

That Mike Fairey be elected as a director.

## Resolution 4 – Election Of Director

That Nick Prettejohn be elected as a director.

## Resolution 5 – Re-Election Of Director

That Tim Breedon be re-elected as a director.

## Resolution 6 – Re-Election Of Director

That Dame Clara Furse be re-elected as a director.

## Resolution 7 – Re-Election Of Director

That Mark Gregory be re-elected as a director.

## Resolution 8 – Re-Election Of Director

That Rudy Markham be re-elected as a director.

## Resolution 9 – Re-Election Of Director

That John Pollock be re-elected as a director.

## Resolution 10 – Re-Election Of Director

That Henry Staunton be re-elected as a director.

## Resolution 11 – Re-Election Of Director

That John Stewart be re-elected as a director.

## Resolution 12 – Re-Election Of Director

That Nigel Wilson be re-elected as a director.

## Resolution 13 – Re-Appointment Of Auditor

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

## Resolution 14 – Auditor's Remuneration

That the directors be authorised to determine the Auditor's remuneration.

## Resolution 15 – Directors' Report On Remuneration

That the Directors' Report on Remuneration for the year ended 31 December 2010 as set out in the Company's 2010 annual report and accounts be approved.

## Resolution 16 – Renewal Of Directors' Authority To Allot Shares

That:

- a) the directors of the Company be generally and unconditionally authorised, in accordance with Section 551 of the Companies Act 2006 (the 'Act'), to exercise all powers of the Company to allot shares in the Company or grant rights to subscribe for, or convert any security into, shares in the Company up to an aggregate nominal amount of £48,913,083 this amount to be not more than one third of the issued ordinary share capital at 7 April 2011 (being the last practicable date prior to the publication of this Notice);

- b) this authority shall expire at the conclusion of the Company's next AGM, or if earlier at the close of business on 30 June 2012, except that the Company may, before this authority expires, make an offer or agreement which would or might require shares to be allotted or rights to be granted after it expires and the directors of the Company may allot shares or grant rights in pursuance of such offer or agreement as if this authority had not expired; and
- c) all previous unutilised authorities under Section 551 of the Act shall cease to have effect (save to the extent that the same are exercisable pursuant to Section 551(7) of the Act) by reason of any offer or agreement made prior to the date of this resolution which would or might require shares to be allotted or rights to be granted on or after that date.

#### **Resolution 17 – Political Donations**

That, in accordance with Section 366 of the Act, the Company, and all companies that are subsidiaries of the Company at any time during the period for which this resolution has effect, be and are hereby authorised to:

- i. make political donations to political parties and/or independent election candidates, not exceeding £100,000 in total;
- ii. make donations to political organisations other than political parties not exceeding £100,000 in total; and
- iii. 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 sooner, at the conclusion of the Company's next AGM. For the purposes of this resolution the terms 'political donations', 'independent election candidates', 'political organisations', 'political expenditure' and 'political parties' have the meanings set out in Sections 363 to 365 of the Act.

#### **Resolution 18 – Scrip Dividend Programme**

That the directors be generally and unconditionally authorised, in accordance with Article 124 of the Articles of Association, to offer holders of ordinary shares, to the extent and in the manner determined by the directors, the right to elect (in whole or part), to receive new ordinary shares (credited as fully paid) instead of cash, in respect of any future dividends as may be declared by the directors from time to time. The authority conferred by this resolution shall expire at the conclusion of the AGM in 2016.

#### **Resolution 19 – Disapplication Of Pre-emption Rights**

That the directors be given power (subject to the passing of resolution 16) to allot equity securities (as defined in Section 560 of the Act) for cash pursuant to the authority conferred by resolution 16 under Section 551 of the Act; and/or to sell ordinary shares held by the Company as treasury shares for cash, in either case as if Section 561 of the Act did not apply to any such allotment, provided that this power shall be limited:

- a) to the allotment of equity securities and sale of treasury shares for cash in connection with an offer or issue of equity securities to or in favour of:
  - i. holders of ordinary shares in proportion (as nearly as may be practicable) to their existing holdings; and
  - ii. holders of other equity securities if this is required by the rights of those securities or, if the directors consider it necessary, as permitted by the rights of those securities or, if the directors consider it necessary, as permitted by the rights of those securities and so that the directors may make such exclusions or other arrangements as they consider expedient in relation to fractional entitlements, treasury shares, record dates, shares represented by depositary receipts, legal or practical problems arising under the laws of any territory or the requirements of any relevant regulatory body or any stock exchange or any other matter; and
- b) to the allotment of equity securities pursuant to the authority granted under resolution 16 and/or to the sale of treasury shares for cash (in each case otherwise than under paragraph (a) above) up to a maximum nominal amount of £7,336,962, being 5% of the issued share capital of the Company at 7 April 2011 (being the last practicable date prior to the publication of this Notice).

This authority shall expire at the conclusion of the Company's next AGM or, if earlier, at the close of business on 30 June 2012, except that the Company may, before this power expires, make an offer or agreement which would or might require equity securities to be allotted (and for treasury shares to be sold) after it expires and the directors of the Company may allot equity securities (and/or sell treasury shares) in pursuance of such offer or agreement as if the power conferred hereby had not expired; and all previous unutilised authorities under Sections 570 and 573 of the Act shall cease to have effect.

**Resolution 20 – Purchase Of Own Shares**

That in accordance with the Act, the Company is generally and unconditionally authorised to make market purchases (within the meaning of Section 693(4) of the Act) of ordinary shares of 2.5p each in the capital of the Company on such terms and in such manner as the directors think fit, provided that:

- i. the maximum number of ordinary shares that may be purchased is 586,956,997, being 10% of the issued share capital as at 7 April 2011;
- ii. the minimum price which may be paid for each ordinary share is 2.5p (exclusive of all expenses);
- iii. the maximum price which may be paid for each ordinary share is the higher of the amount equal to: (a) 105% of the average of the middle market quotations or market values 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 purchased; and (b) the amount stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation 2003 (in each case exclusive of expenses); and
- iv. this authority shall (unless renewed, revoked or varied) expire at the conclusion of the next AGM, or at the close of business on 30 June 2012 whichever is the earlier, except in relation to the purchase of ordinary shares, the contract for which was concluded before such date and which is executed wholly or partly after such date.

All existing authorities for the Company to make market purchases of ordinary shares are revoked, except in relation to the purchase of shares under a contract concluded before the date of this resolution and which has not yet been executed.

**Resolution 21 – Notice Of General Meetings**

That a general meeting of the Company other than an Annual General Meeting of the Company may be called on not less than 14 clear days' notice.

**BY ORDER OF THE BOARD**

**G J TIMMS**  
**COMPANY SECRETARY**

**14 April 2011**

Registered Office:  
Legal & General Group Plc  
One Coleman Street  
London  
EC2R 5AA  
Registered in England and Wales, No. 01417162

# EXPLANATORY NOTES TO THE RESOLUTIONS.

## Resolution 1

The directors of the Company are required by UK companies' legislation to present the accounts, the Directors' report and the Auditor's report on the accounts to the AGM. Copies of the report and accounts are available on the website at [legalandgeneralgroup.com](http://legalandgeneralgroup.com).

## Resolution 2

Shareholder approval is required before a final dividend can be paid.

## Resolutions 3 to 12

Nick Prettejohn, who was appointed to the Board as an Independent Non-Executive Director in November 2010 and Mike Fairey, who is due to be appointed to the Board as an Independent Non-Executive Director on 1 May 2011, will offer themselves for election at the AGM.

In accordance with the recommendations of the UK Corporate Governance Code, each other director of the Company will retire and seek re-election at the AGM, with the exception of Sir David Walker and James Strachan who will retire at the end of the AGM after 9 and 8 years of service to the Company respectively. Each of the other directors have indicated that they are willing to offer themselves for re-election.

Having considered the performance of, and contribution made by each of the current directors standing for election and re-election, the Board remains satisfied that the performance of each of the directors continues to be effective and that they each demonstrate a commitment to the role. The Board, on the recommendation of the Nominations Committee, supports the election of Nick Prettejohn and the re-election of the other directors seeking re-election.

The Nominations Committee also recommended Mike Fairey's appointment to the Board and fully supports his election by shareholders.

Biographical details for directors seeking election/re-election are set out on page 5 of this document and on the Company's website at [legalandgeneralgroup.com](http://legalandgeneralgroup.com).

## Resolutions 13 & 14

At the AGM held on 26 May 2010, the shareholders re-appointed PricewaterhouseCoopers LLP as Auditor of the Company, to hold office until the conclusion of the next general meeting at which accounts are laid. Resolutions 13 and 14 propose to re-appoint PricewaterhouseCoopers LLP as Auditor of the Company and authorise the directors to determine the Auditor's remuneration.

## Resolution 15

Pursuant to the Act, the Company is required to put a resolution to shareholders in a general meeting to approve the Directors' Report on Remuneration for the financial year to 31 December 2010. 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 vote on this resolution will be advisory and in respect of the directors' remuneration as a whole, and will not be specific to individual levels of remuneration.

A director's entitlement to remuneration is not conditional upon this resolution being passed.

## Resolution 16

The Company's directors may only allot ordinary shares or grant rights over ordinary shares if authorised to do so by shareholders. 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 next AGM, or the close of business on 30 June 2012 if earlier.

This resolution will give directors the authority to allot ordinary shares or grant rights to subscribe for, or convert any securities into, ordinary shares up to an aggregate nominal amount equal to £48,913,083. This amount represents approximately one third of the issued ordinary share capital (excluding treasury shares) of the Company as at 7 April 2011, the latest practicable date prior to the publication of this Notice. As at this date, the Company holds no treasury shares.

There is no present intention of exercising this authority, other than pursuant to the exercise of options under employee share schemes. However, it is considered prudent to maintain the flexibility that this option provides.

## Resolution 17

Section 366 of the Act requires a company to seek shareholder approval for certain political donations and/or political expenditure. The Company does not make and does not intend to make political donations to and/or incur political expenditure 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. Accordingly, the Company is seeking shareholders' authority to make political donations, as a precautionary measure to avoid an inadvertent infringement of the Act.

## Resolution 18

The Company currently offers shareholders the option to participate in a dividend re-investment plan ('DRIP') giving shareholders the option to use their cash dividends to buy additional ordinary shares in the Company. The Company's Articles of Association permit the Board, if authorised by an ordinary resolution of the Company, to offer shareholders the right to receive new ordinary shares in lieu of their cash dividend, where the scrip is offered. UK shareholders who elect to take new shares under a Scrip Dividend Programme

will increase their holdings without incurring stamp duty. The directors will retain the discretion to decide whether to offer a scrip dividend alternative in respect of each future dividend. It is not currently intended that the scrip dividend alternative will be offered in respect of future dividends, however directors are seeking this authority to ensure flexibility for future dividend payments. The DRIP will continue to operate in respect of the final dividend for 2010. If you are currently a participant under the DRIP scheme, you will receive shares in lieu of cash on 1 June 2011. Should directors decide to introduce a Scrip Dividend Programme, shareholders will be sent further information regarding the Programme at that time. In line with investor protection guidelines, the authority contained in this resolution is sought for five years and shall therefore expire at the conclusion of the AGM to be held in 2016 or 25 May 2016 if earlier. Unless there is a change in circumstances, the Company expects to seek an extension of this authority prior to its expiry.

#### Resolution 19

The effect of this resolution is to renew 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.

Under Section 561(1) of the Act, if the directors wish to allot shares or grant rights over shares or sell treasury shares for cash (other than pursuant to an employee share scheme) they must in the first instance offer them to existing shareholders in proportion to their holdings. There may be occasions, however, when the directors will need flexibility to finance business opportunities by the issue of shares without a pre-emptive offer to existing shareholders. This cannot be done under the Act unless shareholders have first waived their pre-emption rights. Any allotment or transfer under this authority may be up to a maximum nominal amount of £7,336,962 which is equivalent to 5% of the issued share capital at 7 April 2011, 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, and with shareholders, to issue or transfer in this way more than 7.5% of the issued share capital in any rolling three year period. This 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 AGM, or at the close of business on 30 June 2012 if earlier.

The directors have no current intention of issuing further shares using this authority. The directors intend to renew this authority annually. This resolution will be proposed as a special resolution.

#### Resolution 20

In certain circumstances it may be advantageous for the Company to purchase its own shares and this resolution seeks authority from the shareholders to do so. At the AGM held on 26 May 2010 a special resolution was passed by shareholders allowing the Company to make market purchases of up to 586,286,339 of its own ordinary shares, representing 10% of the Company's issued share capital. During the year ended 31 December 2010 no ordinary shares have been repurchased for cancellation.

The authority sought in 2010 is due to expire at the end of the 2011 AGM and it is proposed that the Company be authorised to make market purchases up to an aggregate of approximately 10% of the Company's issued ordinary share capital as further described below. The directors have no current intention of exercising the authority to make market purchases; however the authority provides the flexibility to allow them to do so in future. The directors will only exercise this power when they believe that the effect of such purchases will be to increase earnings per share and will be likely to promote the success of the Company for the benefit of its members as a whole. Other investment opportunities, appropriate gearing levels and the overall position of the Company will be taken into account when exercising this authority. The Company may hold in treasury or cancel any of its own shares that it purchases pursuant to the Act and the authority conferred by this resolution. Holding shares in treasury gives the Company the ability to reissue treasury shares quickly and cost-effectively and provides the Company with greater flexibility in the management of its capital base. It also gives the Company the opportunity to satisfy employee share scheme awards with treasury shares. The proposed authority would be limited to the purchase of up to 586,956,997 ordinary shares in aggregate which is equal to approximately 10% of the Company's issued ordinary share capital as at 7 April 2011, being the latest practicable date prior to the publication of this Notice. The resolution specifies the maximum and minimum prices at which the Company's shares may be brought.

As at 7 April 2011, being the latest practicable date prior to publication of this Notice, there were outstanding awards and options to subscribe for ordinary shares representing 1.54% of the Company's issued ordinary share capital (excluding treasury shares). If the new authority and the existing authority were exercised in full, the awards and options would represent 1.92% of the Company's issued ordinary share capital (excluding treasury shares).

If passed, this authority will expire at the conclusion of the Company's next AGM or, at the close of business on 30 June 2012, whichever is the earlier. This resolution will be proposed as a special resolution

#### Resolution 21

This resolution is required to reflect the changes made to the Act by the Companies (Shareholders' Rights) Regulations 2009. The Companies (Shareholders' Rights) Regulations 2009 increase the notice period for general meetings of the Company to 21 days unless shareholders approve a shorter period, which

cannot be less than 14 clear 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, the Company's shareholders must approve the calling of such meetings on 14 clear days' notice. Resolution 21 seeks such approval. The Company undertakes to meet the requirements for electronic voting under the Companies (Shareholders' Rights) Regulations 2009 before calling a general meeting on 14 clear days' notice. If given, the approval will be effective until the Company's next AGM when it is intended that a similar resolution will be proposed.

The flexibility offered by this resolution will not be used as a matter of routine but only where, taking into account the circumstances, the directors consider this appropriate in relation to the business to be considered at the meeting and in the interests of the Company and shareholders as a whole. This resolution will be proposed as a special resolution.

The following notes explain your general rights as a shareholder and your rights to attend and vote at the AGM or to appoint someone else to vote on your behalf.

### Entitlement To Vote And Attend

Only shareholders who are entered on the Company's register of members (the 'Register') by no later than 6pm on Monday, 23 May 2011 (the 'Specified Time') or in the event of an adjournment by no later than 6pm on the date two days prior to the adjourned meeting, will be entitled to attend and vote at the AGM in respect of the number of shares registered in their name at that time. Changes to entries on the Register for certified and uncertified shares of the Company after the Specified Time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

### Method Of Voting

All resolutions at the meeting will be decided by poll. We believe that a poll is the best way of representing the views of as many shareholders as possible in the voting process.

A shareholder may appoint one or more proxies to attend and speak and vote on their behalf at the AGM, provided that each proxy is appointed to exercise the rights attached to different shares. A proxy need not be a member of the Company.

There are four ways in which shareholders can vote:

- in person at the meeting. If you are attending in person there is no need to complete a proxy form or form of direction;
- appoint a proxy electronically to vote on your behalf using the sharevote service, [sharevote.co.uk](http://sharevote.co.uk);
- sign the enclosed pre-paid proxy form or form of direction, and return it to Equiniti;
- CREST members may vote via the CREST electronic voting service in accordance with the instructions detailed on page 12 of this document.

If you have not received a proxy form or form of direction and believe you should have one please call Equiniti (the 'Registrar') on 0871 384 2118. Calls to this number cost 8p per minute from a BT landline, other providers' costs may vary. Lines open 8.30am

to 5.30pm, Monday to Friday. If calling from outside the UK please dial +44(0)121 415 7031.

If you have completed a proxy form or form of direction, this will not preclude you from attending and voting at the meeting in person.

For instructions on how to appoint a proxy or vote electronically, please see page 12. Please note that to be valid, all proxy forms must be completed, signed and received by the Registrar by 2.30pm on Monday 23 May 2011. Forms of direction must be received by the Registrar by 2.30pm on Thursday 19 May 2011. Any electronic communication sent to the Registrar in respect of the appointment of a proxy that contains a computer virus will not be accepted.

A vote withheld option is provided on the proxy form to enable a shareholder to instruct a proxy to withhold their vote on a particular resolution. It should be noted that a vote withheld is not a vote in law and will not be counted in the calculation of the proportion 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 AGM, the proxy will vote or abstain from voting as he or she thinks fit.

### Persons Nominated By Shareholders

A person to whom this Notice is sent who is a person nominated under Section 146 of the Act to enjoy information rights (a 'Nominated Person') may, under an agreement with the shareholder by whom they were nominated, have a right to be appointed (or to have someone else appointed) as a proxy at the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, they may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

The statement of the rights of shareholders in relation to the appointment of proxies above, does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.

### Corporate Representatives

Any corporation which is a member of the Company can appoint one or more representatives to exercise its powers as a member, provided that they do not do so in relation to the same shares.

### Declaration Of Results

As soon as practicable following the meeting, the results of the AGM and the number of proxy votes cast for and against, and the number of votes withheld, in respect of each resolution will be announced via a regulatory information service and placed on the Company's website, <http://investor.legalandgeneral.com/aggm.cfm>

### Shareholder Requests

Members satisfying the thresholds in Section 527 of the Act can require the Company to publish on its website a statement setting out any matter relating to (i) the audit of the Company's accounts

(including the Auditor's report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid, in accordance with Section 437 of the Act. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Section 527 or 528 (requirements as to website availability) of the Act. Where the Company is required to place a statement on a website, the statement must be forwarded to the Company's Auditor no later than the time when the statement is made available on the website. The business which may be dealt with at the AGM will include any statement that the Company has been required, under Section 527 of the Act, to publish on its website.

### Issued share capital

As at 7 April 2011 being the last business date prior to the publication of this Notice, the Company's issued share capital consisted of 5,869,569,970 ordinary shares carrying one vote each. Therefore the total number of voting rights in the Company as at 7 April 2011 was 5,869,569,970.

### Right to ask questions

Any member attending the AGM has the right to ask questions in relation to the business of the meeting. The Company must cause to be answered any such questions relating to the business being dealt with at the meeting but no such answer need be given if (i) the answer has already been given on the Company's website in the form of an answer to a question; or (ii) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; or (iii) it is not in the interest of the Company or the good order of the meeting that the question be answered.

### Website

A copy of this notice, and any other information required by Section 311A of the Act, can be found on the Company's website, [legalandgeneralgroup.com](http://legalandgeneralgroup.com).

### Documents Available For Inspection

Copies of the Executive Directors' service contracts and copies of letters of appointment of the Chairman and Non-Executive Directors are available for inspection at the Company's registered office during normal business hours until the date of the AGM and will be available at the AGM for at least 15 minutes before and until the conclusion of the meeting.

### Electronic Communication

Shareholders may not use any electronic address provided either (i) in this Notice; or (ii) in any related documents (including the proxy form and form of direction), to communicate with the Company for any purposes other than those expressly stated.

### How To Appoint A Proxy Or Vote Electronically

#### Sharevote

You may register your vote electronically at [sharevote.co.uk](http://sharevote.co.uk). You will need your voting ID, Task ID and Shareholder Reference Number all of which are printed on your proxy form or form of direction.

### Shareview

If you have a shareview portfolio you can appoint your proxy electronically by logging onto your portfolio at [shareview.co.uk](http://shareview.co.uk) and following the instructions provided.

### Legal & General Electronic Share Service

If you hold your shares within the ESS then you will have been sent a form of direction with this Notice. Please complete this form and return it to the Registrar by 2.30pm on Thursday 19 May 2011.

### Appointment of a Proxy under CREST

CREST members can use the CREST electronic proxy appointment service for the AGM and any adjournment 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, should refer to their CREST sponsor or voting service provider, 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 Euroclear UK & Ireland Limited's ('EUI') specifications and must contain the information required for such instructions, as described in the CREST Manual (available on [euroclear.com/CREST](http://euroclear.com/CREST)). 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 be transmitted so as to be received by the issuer's agent (ID RA19) by no later than 2.30pm on Monday 23 May 2011 in order to be valid. 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.

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, to procure that his CREST sponsor or voting service provider takes) 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.

# SHAREHOLDER INFORMATION.

## Annual General Meeting

The 2011 AGM will be held on Wednesday 25 May 2011 at 2.30pm at The Honourable Artillery Company, Armoury House, City Road, London EC1Y 2BQ.

### Pre-register your AGM question

If you wish to raise a question at the AGM, you can pre-register your question on the website at [legalandgeneralgroup.com](http://legalandgeneralgroup.com).

## Dividend Information

### Dividend per share

This year the directors are recommending the payment of a final dividend of 3.42p per share. If you add this to your interim dividend of 1.33p per share, the total dividend recommended for 2010 will be 4.75p per share (2009: 3.84p per share).

The key dates for the payment of dividends this year are set out in the Important Dates section on page 14.

### Dividend payments

Legal & General is keen to encourage all its shareholders to have their dividends paid directly into a Bank or Building Society Account. If you would like more details or a dividend mandate form, please contact our Registrar, Equiniti Limited. Details of how to contact the Registrar can be found on page 14 and on our website, [legalandgeneralgroup.com](http://legalandgeneralgroup.com).

### Dividend Reinvestment Plan

The Legal & General Dividend Reinvestment Plan ('DRIP') enables shareholders to use their cash dividends to purchase Legal & General Group Plc shares.

If you would like more details, please contact our Registrar. Alternatively, the DRIP booklet and mandate form can be found in the Investors section of the website, [legalandgeneralgroup.com](http://legalandgeneralgroup.com).

## Communications

### Internet

Information about the Company including details of the current share price is available on the website, [legalandgeneralgroup.com](http://legalandgeneralgroup.com).

### Investor relations

Private investors can contact the Registrar with any queries.

Institutional investors can contact the Investor Relations Team by telephone on: 020 3124 2345 or email [investor.relations@group.landg.com](mailto:investor.relations@group.landg.com).



## LOW COST SHAREDEALING SERVICE

### Telephone share dealing service

A share dealing service has been arranged with Stocktrade which provides a simple way of buying or selling Legal & General shares and any other UK equities.

Call: 0845 601 0995 (overseas +44 (0)131 240 0414) 8am to 4.30pm Monday to Friday.  
Please quote reference: Low Cost 328

### Charges

Commission will be 0.5%, to £10,000 and 0.2% on the excess thereafter, subject to a minimum of £17.50. Please note that UK share purchases will be subject to 0.5% stamp duty. There will also be a PTM (panel for takeovers and mergers) levy of £1 for single trades in excess of £10,000.

### Settlement

When buying shares you will be required to pay for your transaction at the time of the deal by debit card and you should ensure that you have sufficient cleared funds available in your debit card account to pay for the shares in full.

Further information is available online at [stocktrade.co.uk/legalandgeneral/](http://stocktrade.co.uk/legalandgeneral/)

### Financial reports

The Company's financial reports are available on the website, [legalandgeneralgroup.com](http://legalandgeneralgroup.com).

The annual report and accounts are sent to those shareholders who have elected to receive paper copies. Alternatively, shareholders may elect to receive notification by email by registering on [shareview.com](http://shareview.com). Copies of historical financial reports are available on the website, [legalandgeneralgroup.com](http://legalandgeneralgroup.com).

If you receive more than one copy of our communications, it could be because you have more than one record on the share register. To avoid duplicate mailings, please contact the Registrar who can arrange for your accounts to be amalgamated.

### Registrar

You can contact our Registrar, Equiniti Limited:

**By post:** Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA.

**By telephone:** Shareholder Helpline: 0871 384 2118\*.

\* Calls to this number cost 8p per minute from a BT landline, other providers' costs may vary. Lines open 8.30am to 5.30pm, Monday to Friday. If calling from outside the UK, please dial + 44(0)121 415 7031.

The Registrar also provides the following services:

#### Electronic share service

The electronic share service allows you to hold shares in Legal & General without the need for a share certificate and enables you to benefit from shorter market settlement periods. Individual shareholders hold their Legal & General shares in a nominee holding registered in the name of Equiniti Corporate Nominees Limited.

To join or obtain further information contact the Registrar. They will send you a booklet, outlining the terms and conditions under which your shares will be held, together with the appropriate share transfer form. The booklet and the share transfer form are also available in the Investors section of the website, [legalandgeneralgroup.com](http://legalandgeneralgroup.com).

### Shareview

Shareview allows you to view your Legal & General shareholding on the internet. Registering is easy; simply log on to [shareview.co.uk](http://shareview.co.uk) and follow the instructions. You will need your Shareholder Reference Number, which can be found on your share certificate or a dividend statement. If you have any queries, please call the Shareholder Helpline.

### Consolidation of share certificates

Shareholders with more than one share certificate may arrange to have them consolidated into one certificate by contacting the Registrar.

### Individual Savings Account ('ISA')

Equiniti Financial Services Limited provides a Single Company ISA for Legal & General shares. If you would like more information please call 0871 384 2244\*.

\* Calls to this number cost 8p per minute from a BT landline, other providers' costs may vary. Lines open 8.30am to 5.30pm, Monday to Friday. If calling from outside the UK, please dial + 44(0)121 415 7031.

### General Information

**Capital gains tax:** For the purpose of calculating UK capital gains tax, the market value on 31 March 1982 of each of the shares was 7.996p, after adjusting for the 1986 capitalisation issue and the 1996 and 1999 sub-divisions, but not reflecting any rights taken up under the 2002 rights issue.

**Close company provisions:** The Company is not a close company within the terms of the Income and Corporation Taxes Act 1988.

**Registered office:** One Coleman Street, London EC2R 5AA. Registered in England and Wales, No. 01417162.

**Shareholder offers:** For details of shareholder offers on Legal & General products see page 15 or call 0500 65 55 55.

## IMPORTANT DATES

17 March 2011	Final Results 2010
20 April 2011	Ex-dividend date (Final Dividend)
17 May 2011	Last day for DRIP elections
25 May 2011	Annual General Meeting
1 June 2011	Payment of Final Dividend for 2010 (to members registered on 26 April 2011)
3 August 2011	Half Year Results 2011
31 August 2011	Ex-dividend date (Interim Dividend)
3 October 2011	Payment of Interim Dividend for 2011 (to members registered on 2 September 2011)

Dates correct at publication but may be subject to change.

## SHAREHOLDER OFFERS.

**AS A LEGAL & GENERAL SHAREHOLDER, YOU AND YOUR IMMEDIATE FAMILY ARE ENTITLED TO DISCOUNTS AND SPECIAL TERMS ON A RANGE OF OUR PRODUCTS.**

**LIFE INSURANCE.**

**PENSIONS.**

**BUILDINGS AND CONTENTS INSURANCE.**

**INVESTMENTS.**

**OVER 50s LIFE INSURANCE.**

### LIFE INSURANCE

25% discount when you apply online or over the phone on standard premiums for both level and decreasing life policies – just quote SHARYF01.

Protecting your family or home couldn't be easier:

- We fix your premiums for the life of the policy, making it easier for you to budget every month (unless you increase your cover).
- We also include terminal illness cover at no extra cost on policies with a term of two or more years. This lasts until 18 months before the end of your policy term.

Please note, the discount cannot be back dated or applied to existing policies. This discount is only applicable to new life policies, bought through shareholder offers.

### PENSIONS

We offer preferential annual management charges to shareholders who take out a Legal & General Stakeholder pension plan through shareholder offers on 0500 65 55 55.

Please note that your money is tied up until you take your benefits and that the value of your pension fund is not guaranteed, and may fall as well as rise.

### BUILDINGS AND CONTENTS INSURANCE

25% discount off standard premiums for Buildings and Contents Insurance – just quote H094-1.

Please note, the discount cannot be back dated or applied to existing policies. This discount is only applicable to new buildings and contents insurance policies, bought through shareholder offers. This discount does not apply to Buy to Let insurance.

### INVESTMENTS

We offer a range of discounts and special terms on selected investments when you buy through shareholder offers.

These offers include:

- Cashback on selected ISAs;
- Reduced initial charge on selected ISAs and unit trusts;
- Extra allocation on selected unit trusts.

Although they have no fixed term, ISA and unit trust investments should be considered medium to long term investments of, ideally, at least five years or longer. The value of an investment can fall as well as rise and you may get back less than you put in.

### OVER 50s LIFE INSURANCE

10% discount on a variety of cover options from our plan. For further details on the cover options available and your shareholder discount code please access the website below.

Everyone's different so our Over 50s Plans are different too, giving you three plans to choose from:

- Fixed – Pays out a fixed cash sum when you die with the certainty of fixed monthly premiums.
- Increasing – Watch your benefit grow when you increase your premiums.
- Funeral – Ensures that the costs of a traditional cremation funeral are covered when you increase your premiums.

**GET IN TOUCH TODAY 0500 65 55 55  
LEGALANDGENERAL.COM/SHAREHOLDEROFFERS**

Registered office:  
Legal & General Group Plc  
One Coleman Street, London EC2R 5AA  
T 020 3124 2000 F 020 3124 2500

We are authorised and regulated by the Financial Services Authority. We are members of the Association of British Insurers.



[legalandgeneralgroup.com](http://legalandgeneralgroup.com)

Designed and produced by Addison [www.addison.co.uk](http://www.addison.co.uk)

This Report is printed on 9lives 55 Silk paper and has been independently certified on behalf of the Forest Stewardship Council® (FSC). The inks used are all vegetable oil based.

Printed at PurePrint Group, ISO14001, FSC® certified and CarbonNeutral®.

