



HHG PLC
4 Broadgate, London EC2M 2DA, England
Company Registration Number: 2072534
ABN 30 106 988 836

AGM 2004

Letter from the Chairman

AGM details

Thursday, 10 June 2004

London

Starts 9.00am (London time)
Cazenove Auditorium
20 Moorgate,
London EC2R 6DA

Sydney

Starts 6.00pm (Sydney time)
Wesley Centre
220 Pitt Street, Sydney
Australia

This booklet contains:

- Information about who may vote at the meeting, and how they may vote (pages 2 to 4);
- The formal Notice of Annual General Meeting containing the resolutions proposed to be put at the meeting (page 5);
- Explanatory Notes which set out an explanation of the business to be conducted at the meeting (pages 6, 7 and 8); and
- Maps of the meeting locations (page 8).

Need help?

If you have any questions, you can phone the Shareholder Information Line on:

United Kingdom 0870 703 0109
Australia 1300 137 981
New Zealand 0800 888 017

Dear Shareholder

This is our first opportunity to report to you following the Demerger from AMP and the listing of HHG PLC (HHG) on 23 December 2003. I welcome you as fellow Shareholders and I am pleased to send you a copy of an HHG 2003 annual report. Copies of both the Concise Annual Report and the Full Annual Financial Report and Accounts are available, along with other information about HHG, from our website www.hhg.com

On 10 June 2004, HHG's first Annual General Meeting (AGM) as a listed company will take place in London and, to enable participation by Shareholders in Australia, will be simultaneously broadcast to a venue in Sydney. Representatives of HHG, including Board Directors and senior management, will be available in both locations.

For maps of the meeting locations, see page 8 of this booklet.

If you are unable to attend the meeting, you can listen to the AGM via our website www.hhg.com/agm

Shareholders are asked to vote on 16 resolutions

To help you understand the items of business and the resolutions on which you and the other HHG Shareholders are being asked to vote, a summary is provided below. You should, in addition, read all the accompanying notes before voting. Unless otherwise specified, the term "Shareholder" includes holders of CDIs quoted on the Australian Stock Exchange (ASX).

1 – Receive the 2003 Directors' Report and Accounts

In this pack, or issued to your email address, you will have received an annual report for the year ended 31 December 2003. During the AGM, we will discuss HHG's financial performance and you will have an opportunity to ask questions or comment on the Directors' Report, the accounts and the business, operations and management of HHG.

2 – Directors' Remuneration Report

Shareholders have the opportunity to cast an advisory vote on the Directors' Remuneration Report for the year ended 31 December 2003. The report is set out in full on pages 21 to 29 of both the Concise Annual Report and the Full Annual Financial Report and Accounts.

3 to 11 – Appointment of Existing Directors

Shareholders will be asked to vote on the appointment of Directors. As this will be HHG's first AGM since listing, all the existing Directors will present themselves for reappointment. As such, there will be 9 candidates.

12 and 13 – Appointment and Remuneration of the Auditors

Shareholders will be asked to vote on the reappointment of Ernst & Young LLP as Auditors to the Company and to authorise the Directors to agree the remuneration of the Auditors.

14 and 15 – Establishment of Employee Share Incentive Plans

The Directors recognise that employee share ownership is an important element in creating long-term commitment to the goals of HHG and therefore we intend to establish share incentive plans for employees.

Under resolution 14, Shareholders are asked to approve the establishment of a Share Incentive Plan (SIP) for UK resident employees of the HHG Group's asset management business. Under resolution 15, Shareholders are asked to approve the right for HHG (or its subsidiaries) to establish share plans based on (and substantially similar to) the SIP but which may be varied to take account of the local tax, exchange control and securities laws.

Under the SIP eligible employees can purchase HHG shares out of their pre-tax salary (basically up to £1,500 per year), they can be awarded HHG Shares (up to £3,000 per year) and they can be awarded HHG shares on a matching basis (up to £3,000 per year) by reference to the number of HHG shares they purchase themselves. For more details see pages 7 and 8.

16 – Authority to make “political donations”

It is not HHG's policy for it or its subsidiaries to make political donations within the normal meaning of that expression and we do not propose or intend to alter our policy. However, given the breadth of the definition of political donations or expenditure in the Political Parties, Elections and Referendums Act 2000, HHG believes that the authority contained in this resolution is necessary to ensure that we do not, because of any present uncertainty as to the bodies or the activities covered by the Act, unintentionally commit a technical breach of the Act. Any expenditure which may be incurred under authority of this resolution will be disclosed in next year's annual report.

Voting procedures

If you would like to vote, you may do so either:

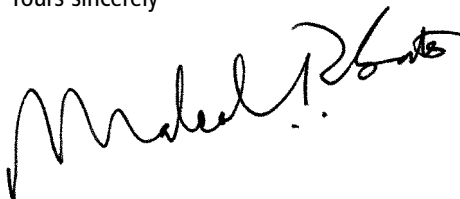
- *By attending and voting at the meeting* on Thursday, 10 June 2004. If you are a CDI holder and wish to attend the meeting, please read the voting instructions on page 4; or
- *By appointing someone as your proxy to attend and vote for you at the meeting.* To appoint someone, use either the enclosed Proxy Form/CDI Voting Instruction Form or go to the HHG website at www.hhg.com/agm to appoint someone online. Instructions about how to fill out the form are set out on the back of the Proxy Form/CDI Voting Instruction Form.

There are different voting procedures depending on whether you hold your shares on the London Stock Exchange or if you have CDIs quoted on the ASX. Please read the voting instructions on pages 3 and 4 carefully to ensure you are aware of the arrangements appropriate for you.

Your Proxy Form or CDI Voting Instruction Form (either online or by paper) needs to be lodged so that it reaches HHG's Share Registry by the time and date specified on your form.

The Directors consider all of the proposed resolutions to be in the best interests of HHG and the Shareholders as a whole and recommend that you vote **FOR** all the resolutions at the Annual General Meeting.

Yours sincerely



Sir Malcolm Bates
Chairman

Voting information for Shareholders other than CDI holders

Who may vote at the meeting?

Only those members entered in the register of members of HHG at 6.00pm (London time) Tuesday, 8 June 2004, or if this meeting is adjourned, in the register of members 48 hours before the time of any adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of ordinary shares registered in their name at that time. Changes to entries in the register of members after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

How may you vote at the meeting?

You may attend the meeting in person or appoint either one or more people as proxies (who need not be a member of HHG) to attend and vote on your behalf. If you wish to appoint more than one proxy, please copy the enclosed Proxy Form.

Who can be a proxy?

You may appoint anyone as your proxy, including the Chairman of the meeting. A proxy need not be a shareholder of HHG.

What happens if you appoint more than one proxy?

If you appoint more than one proxy, then on each Proxy Form you must specify the number of shares for which each proxy is appointed.

If you appoint more than one proxy, then none of them is entitled to vote on a show of hands at the meeting – they may vote only on a poll taken on a proposed resolution.

Where do you send your Proxy Form?

You may send your completed Proxy Form:

- **By mail** to the HHG Share Registry, using the enclosed reply-paid envelope or by posting it to:
HHG Share Registry, The Pavilions,
Bridgwater Road, Bristol BS13 8FA, England;
- **Electronically** by accessing the HHG Share Registry via the HHG website at www.hhg.com/agm
To use this facility, you will need your unique PIN and your Shareholder Reference Number. These numbers are shown on your Proxy Form. You will be taken to have signed the Proxy Form if you lodge it in accordance with the instructions on the website; or
- **By CREST message.** If you are a CREST system user (including a CREST personal member), you can appoint one or more proxies or give an instruction to a proxy by having an appropriate CREST message transmitted. CREST personal members or other CREST sponsored members should contact their CREST sponsor for assistance with appointing proxies via CREST.

What is the due date for appointing your proxy?

To appoint a proxy, you will need to make sure the HHG Share Registry receives your completed Proxy Form (and any necessary supporting documents) **by 9.00am (London time) Tuesday, 8 June 2004**. If your Proxy Form (and any supporting document) is not received by then, your proxy appointment will not be effective.

What if a proxy is appointed under a power of attorney or other authority?

If the Proxy Form is signed under a power of attorney or other authority on behalf of a Shareholder, then the attorney must make sure that either the original power of attorney or other authority, or a certified copy, is sent to HHG's Share Registry so as to arrive **no later than 9.00am (London time) Tuesday, 8 June 2004** unless it has previously been lodged with HHG's Registrars.

A Proxy Form cannot be submitted through HHG's website if it is completed under a power of attorney or similar authority.

How does a Shareholder that is a company execute the Proxy Form?

If the Shareholder executing the Proxy Form is a company, then it must execute the Proxy Form in one of the following ways:

- By having two directors or a director and a secretary of the company sign the Proxy Form;
- If the company has one director who is also the secretary of the company (or the company does not have a secretary), by having that director sign it;
- By having a duly authorised officer or attorney sign the Proxy Form (in which case the Shareholder must send with the Proxy Form the original, or a certified copy, of the document authorising the attorney or representative); or
- If the company has a common seal, by affixing the common seal in accordance with the company's constitution.

Does a proxy have to vote?

A proxy may decide whether or not to vote on any motion.

How is a proxy to vote?

If the Shareholder appointing the proxy:

- directs the proxy how to vote on an item of business, then the proxy may only vote on that item in the way the Shareholder directed; or
- does not direct the proxy how to vote on an item of business, then the proxy may vote as he or she thinks fit on that item.

Your proxy will also have discretion to vote as they see fit on any other business which may properly come before the meeting including amendments to resolutions, and at any adjourned meeting.

How will the Chairman vote as proxy if the Shareholder has not directed the Chairman how to vote?

If a Shareholder appoints the Chairman of the meeting as proxy and does not direct the Chairman how to vote on an item of business, then when the Chairman votes as proxy for that Shareholder on a poll, he intends to vote in favour of each of the proposed resolutions.

Voting information for CDI holders

Who may vote at the meeting?

Only those CDI holders entered in the register of CDI holders of HHG at 6.00pm (London time) Tuesday, 8 June 2004, or if this meeting is adjourned, in the register of CDI holders 48 hours before the time of any adjourned meeting, shall be entitled to provide voting instructions to Chess Depository Nominees Pty Limited (CDN) in respect of the number of CDIs registered in their name at that time. Changes to entries in the register of CDI holders after that time shall be disregarded in determining the rights of any CDI holders to provide voting instructions to CDN in regard to the meeting.

How may you exercise your voting rights?

By completing and submitting the Voting Instruction Form, you may either;

- direct CDN on how it should vote on the resolutions in respect of your CDIs; or
- if you wish to attend the meeting (or want someone else to attend on your behalf), instruct CDN to appoint you or your representative as proxy to vote in respect of your CDIs.

Who can be a proxy?

You may instruct CDN to appoint yourself or any other person (including the Chairman) as its proxy in respect of your CDIs. A proxy need not be a shareholder of HHG.

Where do you send your Voting Instruction Form?

You may send your completed Voting Instruction Form:

- **By mail** to the HHG Share Registry, using the enclosed reply-paid envelope or by posting it to:
Australia: GPO Box 4578, Melbourne, VIC 8060; or
New Zealand: Private Bag 92119, Auckland 1020.
- **By facsimile**
Australia: 02 8235 8220; or
New Zealand: 09 488 8787.
- **Electronically** by accessing the HHG Share Registry via the HHG website at www.hhg.com/agm
To use this facility, you will need your Security Holder Reference Number which is shown on your Voting Instruction Form. You will be taken to have signed the Voting Instruction Form if you lodge it in accordance with the instructions on the website.

What is the due date for instructing CDN to vote on your behalf?

To instruct CDN to vote on your behalf, you will need to make sure that the HHG Share Registry receives your completed Voting Instruction Form (and any necessary supporting documents) **by 6.00pm (Sydney time) Friday, 4 June 2004**. If your Voting Instruction Form (and any supporting document) is not received by then, your voting instruction will not be effective.

What is the due date for instructing CDN to appoint a proxy on your behalf?

To instruct CDN to appoint a proxy, you will need to make sure that the HHG Share Registry receives your completed Voting Instruction Form (and any necessary supporting documents) **by 6.00pm (Sydney time) Tuesday, 8 June 2004**. If your Voting Instruction Form (and any supporting document) is not received by then, your proxy appointment will not be effective.

What if a Voting Instruction Form is completed under a power of attorney or other authority?

If the Voting Instruction Form is signed under a power of attorney on behalf of a CDI holder, then the attorney must make sure that either the original power of attorney or other authority, or a certified copy, is sent to HHG's Share Registry so as to arrive by the relevant date specified on the form unless it has previously been lodged with HHG's Registrars.

A Voting Instruction Form cannot be submitted through HHG's website if it is completed under a power of attorney or similar authority.

How does a CDI holder that is a company execute the Voting Instruction Form?

If the CDI holder executing the Voting Instruction Form is a company, then it must execute the Voting Instruction Form in one of the following ways:

- By having two directors or a director and a secretary of the company sign the Voting Instruction Form;
- If the company has one director who is also the secretary of the company (or the company does not have a secretary), by having that director sign it;
- By having a duly authorised officer or attorney sign the Voting Instruction (in which case the CDI holder must send with the Voting Instruction the original, or a certified copy, of the document authorising the attorney or representative); or
- If the company has a common seal, by affixing the common seal in accordance with the company's constitution.

Does a proxy have to vote?

A proxy may decide whether or not to vote on any motion.

How is a proxy to vote?

If the Voting Instruction Form:

- directs the proxy how to vote on an item of business, then the proxy may only vote on that item in the way the CDI holder directed; or
- does not direct the proxy how to vote on an item of business, then the proxy may vote as he or she thinks fit on that item.

How will the Chairman vote as proxy if he has not been directed how to vote?

If a CDI holder instructs CDN to appoint the Chairman of the meeting as proxy and does not direct the Chairman how to vote on an item of business, then when the Chairman votes as proxy on a poll, he intends to vote in favour of each of the proposed resolutions.

Notice of Annual General Meeting

The Annual General Meeting of Shareholders of HHG PLC (HHG) will be held at The Cazenove Auditorium, 20 Moorgate, London EC2R 6DA, at 9.00am (London time) Thursday, 10 June 2004 and simultaneously broadcast to The Wesley Centre, 220 Pitt Street, Sydney, as a satellite meeting, at 6.00pm (Sydney time) Thursday, 10 June 2004.

Items of Business

Each of the resolutions set out below will be proposed as an ordinary resolution. An ordinary resolution will be passed if more than 50% of the votes cast are in favour.

RESOLUTION 1: DIRECTORS' REPORT AND ACCOUNTS

To receive the accounts for HHG PLC for the year ended 31 December 2003 and the reports of the Directors and auditors thereon.

RESOLUTION 2: DIRECTORS' REMUNERATION REPORT

To approve the Directors' Remuneration Report for the year ended 31 December 2003.

RESOLUTIONS 3 TO 11: APPOINTMENT OF EXISTING DIRECTORS

3. To appoint Sir Malcolm Bates as a Director of the Company.
4. To appoint Mr P J Costain as a Director of the Company.
5. To appoint Mr R P Handley as a Director of the Company.
6. To appoint Mr N T Hiscock as a Director of the Company.
7. To appoint Mr A C Hotson as a Director of the Company.
8. To appoint Mr I W Laughlin as a Director of the Company.
9. To appoint Mr D J S Roques as a Director of the Company.
10. To appoint Sir William Wells as a Director of the Company.
11. To appoint Mr R P Yates as a Director of the Company.

RESOLUTION 12: REAPPOINTMENT OF AUDITORS

To reappoint Ernst & Young LLP as Auditors to the Company until the conclusion of the next general meeting at which accounts are laid.

RESOLUTION 13: REMUNERATION OF THE AUDITORS

To authorise the Directors to agree the remuneration of the Auditors.

RESOLUTION 14: ESTABLISHMENT OF THE HENDERSON SHARE INCENTIVE PLAN

To approve the establishment of the Henderson Share Incentive Plan, the main terms of which are described on pages 7 and 8 of the booklet which contains the Notice convening this meeting and a copy of the draft trust deed and rules of which are signed by the Chairman for identification purposes, and authorise the Directors to make such amendments as necessary to obtain Inland Revenue approval to the same.

RESOLUTION 15: ESTABLISHMENT OF OTHER HHG SHARE INCENTIVE PLANS

To authorise HHG PLC and any of its subsidiaries to establish such employee incentive plans as the Directors may consider appropriate for the benefit of employees of HHG PLC and any of its subsidiaries (including directors), provided that any such plans are based on and are substantially the same as the Henderson Share Incentive Plan subject to such modifications (including making provision for the payment of cash amounts instead of shares) as the Directors consider are necessary or desirable to take account of relevant local tax, exchange control, securities laws and administrative costs.

RESOLUTION 16: AUTHORITY TO MAKE "POLITICAL DONATIONS"

To authorise HHG PLC to make donations to European Union (EU) political organisations not exceeding £100,000 in total and to incur EU political expenditure not exceeding £100,000 in total, during the period beginning with the date of the 2004 annual general meeting and ending on the date of the 2005 annual general meeting. For the purposes of this Resolution, "donations", "EU political organisations" and "EU political expenditure" have the meaning given to them in part XA of the Companies Act 1985.

By Order of the Board



Gerald Watson

Company Secretary

14 April 2004

Notes:

Determination of entitlement to attend and vote at the meeting

HHG, pursuant to Regulation 41 of the Uncertified Securities Regulations 2001, specifies that only those members entered in the register of members of HHG PLC at 6.00pm (London time) Tuesday, 8 June 2004, or if this meeting is adjourned, in the register of members 48 hours before the time of any adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of ordinary shares registered in their name at that time. Changes to entries in the register of members after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting. CDI holders should read the voting instructions on page 4.

Documents available for inspection

The following documents are available for inspection during normal business hours at 4 Broadgate, London, EC2M 2DA from 4 May 2004 until the conclusion of the AGM, and will also be available for inspection at the AGM venue prior to and during the AGM itself:

- i. the register of Directors' interests, together with copies of the Directors' service contracts or letters of appointment with the company;
- ii. the biographies of Directors seeking appointment; and
- iii. the draft trust deed and rules of the Henderson Share Incentive Plan.

Proxies

All shareholders entitled to attend and vote are entitled to appoint a proxy or proxies to attend, speak and vote in their place. A proxy need not be a shareholder of HHG. Please see pages 3 and 4 for further details.

Important Information

This document is important. If you have any doubts about the action you should take, please contact your stockbroker or financial adviser.

Explanatory Notes

The information below is an explanation of the business to be considered at the 2004 Annual General Meeting.

RESOLUTION 1: DIRECTORS' REPORT AND ACCOUNTS

The Directors are required to present the following reports in respect of the financial year of HHG ended 31 December 2003 to the meeting:

- The Annual Financial Report and Accounts (which includes the financial statements); and
- The Directors' Report and the Auditor's Report.

Shareholders will be given an opportunity at the meeting to ask questions and make comments on these reports and accounts and on the business, operations and management of HHG and the HHG Group. At the end of the discussion, Shareholders will be invited to vote to receive the reports and accounts.

RESOLUTION 2: DIRECTORS' REMUNERATION REPORT

The Concise Annual Report and the Full Annual Financial Report and Accounts for the year ended 31 December 2003 contain a Remuneration Report from the Directors, which sets out the remuneration policy for the HHG Group and reports on the remuneration arrangements in place for Executive Directors, senior management and Non-Executive Directors.

There is now legislation in the United Kingdom that requires the Directors of HHG to lay the Remuneration Report before shareholders for approval at each annual general meeting. The Board will take the outcome of the vote into consideration when reviewing and setting the Group's remuneration policy.

RESOLUTIONS 3 TO 11: APPOINTMENT OF DIRECTORS

In accordance with HHG's Articles of Association and relevant Listing Rules, as this is the first annual general meeting of HHG since listing, each of the current Directors will retire from office. Each of the Directors is offering himself for reappointment to the Board. Biographies of the Directors, setting out their qualifications and experience are set out below.

Sir Malcolm Bates, Hon.DLitt, MSc, FCIS, FRAeS, CCMI, age 69.

Chairman and Non-Executive Director. Chairman and Non-Executive Director since March 1996. Chairman of the Board Nomination Committee since August 2003. Chairman and Non-Executive Director of Pearl Assurance PLC, National Provident Life Limited and NPI Limited.

Experience: Deputy Managing Director of GEC PLC from 1985 to 1997 after being Senior Commercial Director from 1976 to 1985. Prior to that, Sir Malcolm spent five years in merchant banking as Director and Managing Director. In recent years, he has been a Non-Executive Director of various companies including AMP Limited (Australia) until 2003 and Chairman of London Transport until 2003 and Non-Executive member of various Government panels and task forces. He has been Chairman of Premier Farnell PLC since 1997.

Peter Costain, FCA, age 66.

Non-Executive Director since April 1994 and Chairman of the Board Audit Committee since October 2000. Non-Executive Director of Pearl Assurance PLC, National Provident Life Limited and NPI Limited.

Experience: Former Group Chief Executive and Deputy Chairman of international construction group, Costain Group PLC. Prior to that, Mr Costain was Managing Director of Costain Australia Limited and previously spent seven years in the accountancy profession. He is a Director of Wessex Water Services Limited.

Pat Handley, BA, MBA, age 59.

Non-Executive Director since June 2003.

Experience: Over 30 years' international financial services experience. Mr Handley was an Executive Director and Chief Financial Officer of Westpac Banking Corporation (Australia) from 1993 to 2001. Previously he was Chairman and Chief Executive Officer of County Savings Bank (USA), Chief Financial Officer of Bank One Corporation (USA) and a Director of Suncorp Metway Limited (Australia). He is Chairman of Pacific Brands Limited (Australia). Mr Handley is a Director of AMP Limited and, following the Demerger, Mr Handley became AMP's nominated Director on the HHG Board.

Toby Hiscock, BA (Hons) (Oxon), MA (Oxon), FCA, age 44.

Chief Financial Officer. Executive Director since August 2003.

Experience: Chief Financial Officer of HHG PLC since May 2003. Mr Hiscock is also Director of Finance and Strategy for Henderson Global Investors and was Director of Finance for Henderson Investors from July 1998, having held senior internal audit and finance roles since joining Henderson Investors in 1992. A qualified chartered accountant with 22 years' experience in the accounting profession, prior to joining Henderson Investors, Mr Hiscock was Senior Audit Manager at Midland Bank, London for three years. From 1981 to 1988 he worked for Binder Hamlyn, Chartered Accountants in London.

Anthony Hotson, M.Phil (Oxon), MA (Oxon), MA (London), age 50.

Non-Executive Director since November 2002. Non-Executive Director of Pearl Assurance PLC, National Provident Life Limited and NPI Limited. Chairman of London Life since February 2003. Chairman of Towry Law since October 2003.

Experience: Mr Hotson was formerly at the Bank of England, McKinsey & Company and Warburg. He was a Director of S.G.Warburg & Co. Ltd from 1992 to 1995 and subsequently Managing Director and Head of Financial Institutions Group, Warburg Dillon Read, the investment banking division of UBS AG.

Ian Laughlin, BSc, FIA, FIAA, age 53.

Managing Director, Life Services. Executive Director since January 2003.

Experience: Appointed Managing Director UK Life Services in October 2002. In the five months prior to his current appointment, Mr Laughlin was Director, Managing Director's Office of the former UK Financial Services business. Prior to that held a similar role in AMP's Australian Financial Services for over two years. He has 30 years' financial services experience and joined AMP in 1996 as Chief Manager, Life and Risk Insurance Services. He later became General Manager, Customer Solutions. Prior to joining AMP, Mr Laughlin was General Manager Retail Customer Services at Suncorp (Australia) and previously held various senior management roles in Suncorp and National Mutual (Australia). He is a qualified actuary.

John Roques, CA, age 65.

Joined the HHG Board as Non-Executive Director in January 2004.

Experience: Currently Chairman of the Portman Building Society, Mr Roques is also a Non-Executive Director of BBA Group PLC, Premier Farnell PLC and is a Governor of the Health Foundation. He was previously a Director of Chubb PLC and a Director of British Nuclear Fuels PLC. A member of the Institute of Chartered Accountants of Scotland, Mr Roques spent 42 years with Deloitte & Touche (formerly Touche Ross & Co.) where he served from 1990-1999 as Senior Partner and Chief Executive. He was a Member of the Financial Reporting Review Panel (1991-1994) and a Member of the Financial Reporting Council (1996-2001).

Sir William Wells, BA, FRICS, age 63.

Non-Executive Director since April 1994 and Chairman of the Board Remuneration Committee since August 2003. Appointed Senior Independent Director March 2004. Non-Executive Director of Pearl Assurance PLC, National Provident Life Limited and NPI Limited.

Experience: Sir William is currently President of international property group Chesterton International PLC, having joined Chesterton Property Consultants in 1959 and becoming a partner in 1965. In addition he is a Non-Executive Director of Exel plc. He received a Knighthood in 1997 for his services in a non-executive capacity to the National Health Service. In April 2001 was appointed Chairman of the NHS Appointments Commission, which is responsible for all non-executive National Health Service appointments in England.

Roger Yates, BA (Hons) (Oxon), age 47.

Chief Executive. Executive Director since June 2003 and Managing Director of Henderson Global Investors since 1999.

Experience: Joined AMP in October 1999 to lead the integration of Henderson Investors and AMP Asset Management Australia to form Henderson Global Investors. Mr Yates has 22 years' experience in the fund management industry as an investment professional and business manager. Previously, he was Chief Investment Officer of Invesco Global and held senior roles for fund management companies LGT and Morgan Grenfell. He was a Director of AMP Limited from December 2002 until the Demerger.

RESOLUTION 12: REAPPOINTMENT OF AUDITORS

The Companies Act in the United Kingdom requires shareholders to approve the appointment of a company's auditors each year and the appointment runs until the conclusion of the next general meeting at which accounts are laid.

RESOLUTION 13: REMUNERATION OF AUDITORS

This resolution gives authority to the Directors to agree the Auditor's remuneration.

A summary of the Auditor's remuneration during 2003 is included in note 2.7 on page 48 of the Full Annual Financial Report and Accounts.

RESOLUTIONS 14 AND 15: SHARE INCENTIVE PLANS

The Board is seeking authorisation from shareholders for the establishment of a share incentive plan for employees of the HHG Group's asset management business. This will be known as the Henderson Share Incentive Plan (SIP).

It is intended that the SIP will operate within UK legislation for Inland Revenue approved share incentive plans. Application for approval of the SIP will be made to the Inland Revenue under Schedule 2 of the Income Tax (Earnings and Pensions) Act 2003.

Operation of the SIP

The SIP will be supervised by the Remuneration Committee of the Company (Committee). The SIP will be operated in conjunction with a UK resident trust.

Eligible employees

All UK resident employees of Henderson Global Investors (Holdings) plc (the Plan Company) and its subsidiaries (the Henderson Group) who are designated as qualifying employees will be eligible to participate in the SIP. The executive directors of HHG will not be eligible to participate in the SIP (since they are not employees of the Plan Company) but may be eligible to participate in any future share incentive plans that are established.

Types of award

In summary, the SIP provides for three types of award:

- An outright award of shares (Award Shares);
- Shares purchased by qualifying employees by deductions from pre-tax salary (Partnership Shares); and
- An award of shares (Matching Shares) subject to such conditions as the Committee may determine to qualifying employees who purchase Partnership Shares.

Award Shares

The Committee may, in its discretion, determine that Award Shares may be awarded to eligible employees on such basis as the Committee determines. The award of Award Shares can be linked to individual, team, divisional or corporate performance measures. The aggregate market value of "Award Shares" that can be awarded to any eligible employee under the SIP in any year may not exceed the statutory maximum for Inland Revenue approved share incentive plans which is currently £3,000 per annum.

Partnership Shares

The Committee may also invite employees to enter into a contract to acquire Partnership Shares on such terms as the Committee determines using the employee's pre-tax salary. The number of Partnership Shares that an eligible employee may acquire from their pre-tax salary under the SIP in any year may not exceed the statutory maximum for Inland Revenue approved share incentive plans which is currently the lesser of £1,500 per annum and 10% of salary.

Partnership Shares can be acquired in one of two ways:

- (i) Salary allocated to Shares is accumulated for a period of up to 12 months with Shares bought within 30 days of the end of the "accumulation period"; or
- (ii) Shares are purchased either by a one-off payment or out of deductions from monthly pay, with Shares bought within 30 days of the deduction.

Where employees buy Partnership Shares at the end of the accumulation period, the price at which the shares are bought will be the lower of the market value of these Shares at the beginning or end of the accumulation period.

Matching Shares

The Committee may in its discretion also offer Matching Shares to employees who have purchased Partnership Shares on such basis as the Committee determines.

The number of Matching Shares that the Committee may award to an eligible employee who has acquired Partnership Shares under the SIP in any year will be determined by the Committee and may not exceed the statutory maximum for Inland Revenue approved share incentive plans (currently in the ratio of up to two Matching Shares to each Partnership Share purchased). The aggregate market value of Matching Shares which can be awarded to an eligible employee in any year cannot exceed £3,000.

The maximum value of shares that an eligible employee can obtain under the three types of awards under the SIP is £7,500 in any year.

Dividend Shares

The Committee may permit dividends to be reinvested in acquiring further Shares (Dividend Shares) to be held in the trust, or paid out directly to a participant. Any reinvested Dividend Shares will normally be subject to a holding period of three years, after which time they can be withdrawn without a charge to income tax.

The amount of dividends that can be invested by an eligible employee in further Shares may be determined by the Committee and may not exceed the statutory maximum for Inland Revenue approved share incentive plans which is currently £1,500 per annum.

Holding periods and forfeiture of Shares

Legislation requires that a holding period is imposed within which participants cannot withdraw their Award Shares or Matching Shares from the SIP. The holding period cannot be less than three years nor more than five years.

Partnership Shares and Dividend Shares can be withdrawn from the SIP at any time, although the Committee may require Matching Shares to be forfeited if the related Partnership Shares are withdrawn within three years of purchase.

The Committee can provide for Award Shares and Matching Shares to be forfeited where a participant ceases to be an employee for reasons other than injury or disability, redundancy, retirement or death or by reason of a transfer to which the Transfer of Undertakings (Protection of Employment) Regulations 1981 apply or by reason of a change of control or other circumstances ending the associated company status of the company by which he or she is employed. The forfeiture period cannot exceed three years.

If a participant's employment ceases for any reason, the trustees must either transfer any Shares held in the SIP to the participant (or someone else at his or her direction) or dispose of the Shares and transfer the proceeds.

Other provisions

HHG will be able to satisfy awards under the SIP using existing Shares, or newly issued Shares. New Shares may not be issued under the SIP if it would cause the total number of Shares issued or issuable pursuant to awards or options granted in the preceding 10 years under any employee share scheme established by HHG or any other company in the HHG Group to exceed 10% of HHG's issued ordinary share capital.

Alterations to the basic structure of the SIP which are to the advantage of actual or potential participants may not be made without prior approval of shareholders in general meeting. Prior approval of shareholders will not be required for any alteration which benefits the administration of the SIP or is considered necessary or desirable by the Directors to obtain or maintain Inland Revenue approval. No amendment may operate to affect adversely any right already obtained by a participant. Any amendments to key features of the SIP are subject to the approval of the Inland Revenue.

No awards may be made following the tenth anniversary of the adoption of the SIP in general meeting.

SIP benefits are not pensionable.

Plans for other employees of the HHG Group within and outside the UK

The Board is also seeking authorisation for the future establishment of other share incentive plans which will be substantially the same as or similar to the SIP. These may be made available to employees of HHG PLC or other companies in the HHG Group and/or non-UK resident employees. The Board will review periodically whether such plans should be established. The limit on the number of new Shares which may be issued under the Henderson Share Incentive Plan would also apply in aggregate to any such future share incentive plans established for the benefit of the employees of other companies in the HHG Group and/or non-UK resident employees.

The Board intends that any share incentive plans established by other companies in the HHG Group for the benefit of UK resident employees would also operate within UK legislation for Inland Revenue approved share incentive plans.

Share incentive plans for non-UK resident employees of the HHG Group would not attract Inland Revenue approved status. The Board would operate such plans within the framework provided by the UK legislation applicable to Inland Revenue approved share incentive plans, making such modifications as they may consider necessary or desirable to take account of local tax, exchange control or securities laws. However in some jurisdictions, local laws may restrict the operation of share-based incentive arrangements or result in undue administration or cost (having regard to the number of eligible employees in that jurisdiction). It is proposed that such plans may, where the Board considers it appropriate, allow employees to receive cash payments representing any growth in value of the Shares from which they would have benefited if they had been awarded Award Shares or Matching Shares or purchased Shares under a similar share incentive plan. Such plans may also be operated in conjunction with arrangements through which local

subsidiaries may contribute funds to an offshore employee benefit trust to acquire Shares for the purpose of hedging liabilities to make such cash payments to plan participants.

RESOLUTION 16: AUTHORITY TO MAKE “POLITICAL DONATIONS”

It is not HHG’s policy for it or its subsidiaries to make political donations within the normal meaning of that expression.

However, the Political Parties, Elections and Referendums Act 2000 (“the Act”), which came into effect in 2001, introduced a new definition of what is meant by donations to political parties and, generally, political expenditure. It also contains new rules on the disclosure of such donations and expenditure, and specifically requires companies to obtain Shareholders’ authorisation before making donations to, or incurring political expenditure in relation to, political organisations in the European Union (“EU”) above a certain level.

As a result, it may be that some of HHG’s activities may fall within the wide definitions introduced by the Act and, without the necessary authorisation, HHG’s ability to communicate its views effectively to political audiences and to relevant interest groups could be inhibited. Such activities may include briefings at receptions or conferences – when the company seeks to communicate its views on issues vital to its business interests – including, for example, conferences of a trade union or party political nature or of special interest groups in financial services.

It is not proposed or intended to alter the company’s policy (as noted above) of not making political donations within the normal meaning of that expression. However, given the breadth of the Act, the company believes that the authority contained in this resolution is necessary to allow it to fund activities which it feels is in the interests of Shareholders that the company should support. Such authority will enable the company to be sure that it does not, because of any present uncertainty as to the bodies or the activities covered by the Act, unintentionally commit a technical breach of the Act. Any expenditure which may be incurred under authority of this resolution will be disclosed in next year’s annual report.

Meeting Locations

More information on how to find the meeting locations and transport links is available online – visit www.hhg.com/agm

