

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN ANY DOUBT ABOUT ITS CONTENTS OR THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISOR AUTHORISED PURSUANT TO THE FINANCIAL SERVICES AND MARKETS ACT 2000.

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



Legal & General Group Plc

Registered office:
Temple Court
11 Queen Victoria Street
London
EC4N 4TP
Registered in England No. 1417162
25 February 2004

Dear Shareholder

ANNUAL GENERAL MEETING

I have pleasure in inviting you to the Annual General Meeting of Legal & General Group Plc which will be held at The Institution of Electrical Engineers, Savoy Place, London WC2R OBL at 11.30 a.m. on Wednesday, 28 April 2004. The Notice of Annual General Meeting, together with explanations of the resolutions, is set out on pages 2 to 13.

In addition to the Annual General Meeting's regular business, we are this year taking the opportunity to seek your approval to update the Company's Articles of Association which have been reviewed in line with good corporate governance policy. In particular, we propose an increase to the maximum aggregate annual sum which may be paid as directors' fees from £750,000 to £1,000,000 to provide additional headroom for the years ahead.

We are also seeking your approval to introduce a new Share Bonus Plan and Performance Share Plan which form an important element of our approach to the remuneration of our managers. A summary of the principal terms of the Share Bonus Plan and the Performance Share Plan is set out on pages 10 to 13.

Action to be taken

Even if you are unable to attend the Annual General Meeting your vote is important. A proxy form for use by the holders of Ordinary shares in connection with the Annual General Meeting is enclosed. Please complete the form in accordance with the instructions thereon and return it to Lloyds TSB Registrars.

If you prefer, you can submit your proxy electronically either via the Internet or, if you are a CREST member, through the CREST system. Details are set out in the notes to the Notice of Annual General Meeting on pages 5 and 6. Submission of a proxy appointment will not prevent you from attending and voting at the meeting in person should you wish to do so.

Recommendation

Your directors believe that all the proposed resolutions are in the best interests of the Company and its shareholders as a whole and recommend that you vote in favour of them as they intend to do in respect of their own shareholdings.

Yours faithfully

Rob Margetts

Rob Margetts, CBE
Chairman

Notice of Annual General Meeting

Notice is hereby given that the 25th Annual General Meeting of Legal & General Group Plc will be held at The Institution of Electrical Engineers, Savoy Place, London WC2R 0BL on Wednesday, 28 April 2004 at 11.30 a.m. for the following purposes:

ORDINARY RESOLUTIONS

To consider and, if thought fit, to pass the following resolutions which will be proposed as Ordinary resolutions:-

1. That the Report and Accounts for the year ended 31 December 2003 be received and considered.
2. That a final dividend of 3.33p per Ordinary share be declared.
3. That C. R. R. Avery, who retires by rotation, be re-elected as a director.
4. That J. B. Morgans, who retires by rotation, be re-elected as a director.
5. That J. B. Pollock, who was appointed by the Board since the last Annual General Meeting and who retires in accordance with Article 86, be elected as a director.
6. That D. J. Prosser, who retires by rotation, be re-elected as a director.
7. That Dr. R. H. Schmitz, who retires by rotation, be re-elected as a director.
8. That J. M. Strachan, who was appointed by the Board since the last Annual General Meeting and who retires in accordance with Article 86, be elected as a director.
9. That PricewaterhouseCoopers LLP be re-appointed as auditors of the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.
10. That the directors be authorised to determine the auditors' remuneration.
11. To approve the Directors' Report on Remuneration as set out on pages 29 to 34 of the Report and Accounts.
12. That the directors of the Company be and they are hereby generally and unconditionally authorised, pursuant to Section 80 of the Companies Act 1985, to exercise all powers of the Company to allot relevant securities (within the meaning of Section 80 of that Act) up to an aggregate nominal amount of £8,129,827, being 5% of the issued share capital of the Company as at 31 December 2003, in substitution for all previous such authorities, provided that this authority shall (unless renewed) expire on the conclusion of the Annual General Meeting of the Company to be held in 2005 or 30 June 2005 if earlier, except that the Company may at any time prior to the expiry of such authority make an offer or agreement which would or might require relevant securities to be allotted after the expiry of such authority.

SPECIAL RESOLUTIONS

To consider and, if thought fit, to pass the following resolutions which will be proposed as Special resolutions:-

13. That, subject to the passing of resolution No. 12, the directors of the Company be and they are hereby authorised pursuant to Section 95 of the Companies Act 1985 to allot equity securities (within the meaning of Section 94 of that Act) under the authority conferred by resolution No. 12 as if Section 89(1) of that Act did not apply, provided that this authority shall be limited to:
 - (a) the allotment of equity securities in connection with a rights issue in favour of shareholders where the equity securities are offered to each shareholder in the same proportion (as nearly as may be) to the number of shares held by each shareholder (subject to such exclusions or other arrangements as the directors of the Company may think fit in connection with fractional entitlements or legal or practical problems arising in connection with the laws of, or requirements of, any recognised regulatory body or stock exchange in any territory); and

Notice of Annual General Meeting

- (b) the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal value of £8,129,827, being 5% of the issued share capital of the Company as at 31 December 2003,

and shall expire on the conclusion of the Annual General Meeting of the Company to be held in 2005 or 30 June 2005 if earlier, except that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors of the Company may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

- 14. That the directors of the Company be and they are hereby granted, pursuant to Article 7 of the Articles of Association of the Company and in accordance with Section 166 of the Companies Act 1985, general and unconditional authority to make market purchases of any of its Ordinary shares upon, and subject to, the following conditions:
 - (a) the maximum number of ordinary shares in the Company hereby authorised to be acquired is 325,193,096 shares, being 5% of the issued share capital of the Company as at 31 December 2003.
 - (b) the minimum price which may be paid for each Ordinary share is 2.5p.
 - (c) the maximum price which may be paid for Ordinary shares is an amount equal to 105% of the average of the middle market quotations for an Ordinary share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Ordinary shares are purchased; and
 - (d) the authority hereby conferred shall (unless renewed) expire on the conclusion of the Annual General Meeting to be held in 2005 or 30 June 2005 if earlier, except that the Company may at any time prior to the expiry of such authority enter into a contract for the purchase of Ordinary shares which would or might be completed wholly or partly after the expiry of such authority.
- 15. That the Articles of Association be and they are hereby amended by the deletion from Article 4 of the figures “£150,000,000” and “6,000,000,000” and the substitution therefor of the figures £230,000,000 and 9,200,000,000”, respectively.
- 16. That the Articles of Association of the Company be and they are hereby further amended by the deletion from Article 95 of the figure “£750,000” and the substitution therefor of the figure “£1,000,000”.
- 17. That the Articles of Association of the Company be and they are hereby further amended as follows:-
 - (a) by the deletion from Article 86 of the words “but shall not be taken into account in determining the directors or the number of directors who are to retire by rotation at that meeting”;
 - (b) by the deletion of Article 87, including the heading thereof, and the substitution therefor of the following:

“Regular retirement of Directors

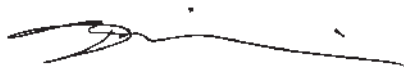
At every Annual General Meeting, there shall retire from office any director who shall have been a director at each of the preceding two Annual General Meetings and who was not appointed or re-appointed by the Company in general meeting at, or since, either such meeting.”
 - (c) by the deletion from Article 88 of the first three sentences and of the words “(both as to number and identity)” in the fifth sentence and the amendment of the fourth sentence so that it reads: “In addition to the directors required to retire by Article 87, a director who would not otherwise be required to retire shall retire if he is aged 70 or more at the date of the meeting.”;
 - (d) by the deletion from Articles 91 and 92 of the words “(whether by rotation or otherwise)”.

Notice of Annual General Meeting

18. That the Legal & General Group Plc Share Bonus Plan 2004 (the “SBP”) as set out in the printed copy marked ‘A’ produced to the meeting and signed by the Chairman of the meeting for the purposes of identification, a summary of which is described in the explanatory notes to the Notice of Annual General Meeting dated 25 February 2004, be adopted and established and the directors of the Company be and they are hereby authorised to do all acts, matters and things which they may consider necessary or desirable in order to carry the SBP into effect, including the making of non-material or consequential amendments thereto.

19. That the Legal & General Group Plc Performance Share Plan 2004 (the “PSP”) as set out in the printed copy marked ‘B’ produced to the meeting and signed by the Chairman of the meeting for the purposes of identification, a summary of which is described in the explanatory notes to the Notice of Annual General Meeting dated 25 February 2004, be adopted and established and the directors of the Company be and they are hereby authorised to do all acts, matters and things which they may consider necessary or desirable in order to carry the PSP into effect, including the making of non-material or consequential amendments thereto.

By Order of the Board



David Binding
Group Secretary
25 February 2004

Registered Office:
Temple Court,
11 Queen Victoria Street,
London EC4N 4TP.

Notes to the Notice of Annual General Meeting

APPOINTMENT OF PROXIES

1. A proxy form is enclosed for use by shareholders. Only shareholders are entitled to attend or be represented at the Annual General Meeting. A shareholder entitled to attend and vote may appoint one or more proxies to attend and, on a poll, vote instead of him/her. A proxy need not be a shareholder. To be valid the proxy form must be received by Lloyds TSB Registrars by 11.30 a.m. on Monday, 26 April 2004. Completion of a form of proxy will not preclude a member from attending and voting at the meeting in person. Shareholders who hold their Ordinary shares within the Legal & General Electronic Share Service must submit their form of proxy to be received by Lloyds TSB Registrars no later than 6.00 p.m. on Friday, 23rd April 2004.
2. Shareholders who prefer to register the appointment of their proxy electronically via the Internet can do so through the Lloyds TSB Registrars' website at www.sharevote.co.uk where full instructions on the procedure are given. The personal reference number, card ID and account number printed on the proxy form will be required to use this electronic proxy appointment system. Alternatively, shareholders who have already registered with Lloyds TSB Registrars' on-line portfolio service, Shareview, can appoint their proxy electronically by logging on to their portfolio at www.shareview.co.uk and clicking on 'Company Meetings'. A proxy appointment made electronically will not be valid if sent to any address other than that provided or if received after 11.30 a.m. on Monday, 26 April 2004. Please note that any electronic communication found to contain a computer virus will not be accepted.

ENTITLEMENT TO ATTEND AND VOTE

3. Legal & General specifies, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, that only those shareholders registered on the register of members of Legal & General as at 6.00 p.m. on Monday, 26 April 2004 shall be entitled to attend and vote at the Annual General Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after 6.00 p.m. on Monday, 26 April 2004 shall be disregarded in determining the rights of any person to attend or vote at the meeting.

APPOINTMENT OF PROXIES THROUGH CREST

4. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting to be held on Wednesday, 28 April 2004 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Lloyds TSB Registrars (ID 7RA01) by no later than 11.30 a.m. on Monday, 26 April 2004. 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 Lloyds TSB Registrars are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

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

Notes to the Notice of Annual General Meeting

are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

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

DOCUMENTS AVAILABLE FOR INSPECTION

5. Copies of the executive directors' service contracts, the terms and conditions of appointment of the non-executive directors and the Register of Directors' Interests are available at the Registered Office during normal business hours on any business day (excluding public holidays) until the close of the Annual General Meeting, and will also be available at the Annual General Meeting venue for at least 15 minutes prior to and during the meeting.
6. Copies of the existing and amended Articles of Association, Legal & General Group Plc Share Bonus Plan 2004 and Legal & General Group Plc Performance Share Plan 2004 will be available for inspection as from the date of this notice during normal business hours on any business day (excluding public holidays) until the close of the Annual General Meeting, at the offices of Ashurst, Broadwalk House, 5 Appold Street, London EC2A 2HA and the Registered Office and also at the Annual General Meeting venue for at least 15 minutes prior to and during the meeting.

Explanation of Resolutions

RESOLUTION 1 – REPORT AND ACCOUNTS

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

RESOLUTION 2 – FINAL DIVIDEND

Legal & General is recommending to shareholders a final dividend of 3.33p for 2003, a 2.5% increase on 2002.

RESOLUTIONS 3 TO 8 – RE-ELECTION OF DIRECTORS

The Board and its directors are subject to annual appraisal. The aim is to improve both individual contributions and group achievement. The appraisal is facilitated by an external consultant, culminating in individual directors' interviews with the Chairman (in the case of the Chairman the interview is conducted by the Vice Chairman). A full report is provided to the Board and consequent actions are agreed. The Board have considered and agreed the recommendations for both the election and re-elections to the Company's Board of Directors.

Under Legal & General's Articles of Association, at every Annual General Meeting at least one-third of the current directors must retire as directors.

A summary of the directors' biographical details is outlined on page 25 of the Company's 2003 Annual Report and Accounts and has been replicated here for those directors seeking election or re-election.

C. R. R. Avery

Group Director (Retail Distribution). Aged 43. Joined Legal & General in 1996 as Director (Marketing). She became Director (Group Marketing and Direct) in 1997 and Retail Customer Director in 1999. Appointed to the Group Board on 1 January 2001. She was previously Managing Director of Barclays Stockbrokers Ltd. and Barclays Bank Trust Company Ltd. She has an MBA from Cranfield School of Management. She is a member of the Government's Advisory Committee on Business Standards and the Environment.

J. B. Morgans

Independent, non-executive director and Chairman of the Audit Committee and member of the Nominations Committee. Aged 62. He was formerly Chairman of Azlan Group Plc and Chairman and Chief Executive of IBM UK Holdings Limited. Appointed in 1997.

J. B. Pollock

Group Director (Products and Corporate). Aged 45. Joined Legal & General in 1980 on graduating from Strathclyde University. He worked in I.T. and customer services before taking responsibility in 1994 for our employed sales force. In 1988 after two years as Managing Director, Legal & General Asia, he was appointed Director, UK Operations running our large service units in Hove and Cardiff. He was appointed to the Board with effect from 11 December 2003.

D. J. Prosser

Group Chief Executive. Aged 59. Joined Legal & General in 1988 as Group Director (Investments). Appointed Group Chief Executive with effect from 11 September 1991. Previously, he held positions at British Coal, where he was Chief Executive of CIN (the pensions investment management company), at Sun Alliance (the insurance company) and at Hoare Govett (the stockbroker). He is a non-executive director of the InterContinental Hotels Group PLC. He is a Fellow of the Institute of Actuaries and holds a degree from the University College of Wales, Aberystwyth.

Dr. R. H. Schmitz

Independent, non-executive director. Aged 65. Non-executive director of GlaxoSmithKline Plc, Rohm & Hass Co. and the Cabot Corporation. He was formerly a director of Deutsche Bank AG. Appointed in October 2000. He is a member of the Remuneration and Nominations Committees.

Explanation of Resolutions

J. M. Strachan

Independent, non-executive director. Aged 50. Chairman of the Audit Commission. A member of the Board and Audit Committee of Ofgem and of the DTI Business board. He was a Managing Director of Merrill Lynch and was previously with Chase Manhattan. He is Chairman of RNID and a Trustee of Somerset House. He was appointed to the Board with effect from 1 December 2003. He is a member of the Audit, Nominations and Corporate Social Responsibility Committees.

RESOLUTIONS 9 AND 10 – RE-APPOINTMENT AND REMUNERATION OF THE AUDITORS

Resolution 9 seeks to re-appoint PricewaterhouseCoopers LLP as auditors of Legal & General and Resolution 10 seeks authorisation for the directors to agree the auditors' remuneration.

RESOLUTION 11 – DIRECTORS' REPORT ON REMUNERATION

Pursuant to The Directors' Remuneration Report Regulations 2003, Legal & General is required to put a resolution to approve the directors' report on remuneration for the financial year to the shareholders in general meeting. The report includes details of the members of the Remuneration Committee, Legal & General's policy on directors' remuneration, a performance graph showing Legal & General's Total Shareholder Return performance compared to the FTSE 100 index Total Shareholder Return over the last five years, details of directors' service contracts and disclosures relating to each director's remuneration.

The report for the year ended 31 December 2003 is set out on pages 29 to 34 of the Report and Accounts 2003.

RESOLUTION 12 – RENEWAL OF DIRECTORS' AUTHORITY TO ALLOT SHARES

This resolution seeks to allow the directors to allot Ordinary shares in Legal & General and will replace the existing authority. The new authorisation will last until the Annual General Meeting in 2005 or 30 June 2005 if earlier.

The maximum amount that can be allotted under this authority is £8,129,827 which is equivalent to 5% of the issued Ordinary share capital at 31 December 2003. The directors currently have no intention of issuing further share capital and no issue will be made which would effectively alter control of the Company without prior approval of members at a general meeting.

RESOLUTION 13 – DISAPPLICATION OF PRE-EMPTION RIGHTS

The effect of this resolution is to replace the existing authority to allow the directors to allot Ordinary shares in Legal & General for cash other than to existing shareholders in proportion to their holdings. Any allotment under this authority may be up to a maximum aggregate of £8,129,827 which is equivalent to 5% of the issued Ordinary share capital at 31 December 2003 although it is not intended, without prior consultation with the Investment Committees of the Association of British Insurers and the National Association of Pension Funds, to issue in this way more than 7.5% of the share capital in any rolling three year period. The resolution will also authorise the directors to allot shares in connection with a rights issue otherwise than strictly *pro rata* where practical considerations, such as fractions and foreign securities laws, make this desirable. The authority under this resolution will last until the next Annual General Meeting or 30 June 2005 if earlier.

Both resolutions 12 and 13 are consistent with the recommendations of the Investment Committees of the National Association of Pension Funds and the Association of British Insurers.

The directors currently have no intention of issuing further share capital and no issue will be made which would effectively alter control of the Company without prior approval of members in a general meeting.

RESOLUTION 14 – PURCHASE OF OWN SHARES

This resolution seeks to allow Legal & General to make market purchases of up to 325,193,096 of its own Ordinary shares (5% of Legal & General's issued Ordinary share capital at 31 December 2003) at prices not less than 2.5p per Ordinary share and not more than 5% above the average of the middle market quotations as derived from the London Stock Exchange Daily Official List for the five business days before each purchase. The authority under this resolution will continue until the Annual General Meeting in 2005 or 30 June 2005 if earlier.

Explanation of Resolutions

The directors currently have no intention to exercise the authority and will only purchase shares if the effect will be to increase earnings per share and is in the best interests of shareholders as a whole. Any shares purchased will be cancelled.

No purchases were made following last year's authority.

RESOLUTION 15 – UPDATE OF AUTHORISED SHARE CAPITAL

This resolution will simply update the Articles of Association so as to refer to the Company's current authorised share capital as enlarged by the resolution passed at the Extraordinary General Meeting on 26 September 2002 to implement the rights issue.

RESOLUTION 16 – DIRECTORS' FEES

It is proposed that the maximum aggregate annual sum which may be paid as directors' fees be increased from £750,000 to £1,000,000.

It is important for Legal & General to attract and retain non-executive directors of good calibre and that they are adequately compensated for the vital role they play. The responsibilities of, and the time commitment expected from, non-executive directors have increased and fees paid to non-executives are increasing to reflect this. This proposed increase in the fees limit to £1,000,000 will give Legal & General the ability, over time, to increase the non-executive directors' fees as considered necessary to ensure the retention of skilled and committed people and also to provide flexibility to recruit additional non-executive directors should the Board deem this to be appropriate.

RESOLUTION 17 – RETIREMENT OF DIRECTORS

The Articles of Association currently provide for one-third of the directors to retire from office on a rotation basis at every Annual General Meeting. The Combined Code requires directors to retire at intervals of no more than three years. This resolution will therefore amend the Articles so that, in compliance with the Combined Code, each director must retire from office at the third annual general meeting after his or her appointment; and the existing provisions relating to retirement by rotation are accordingly also deleted.

RESOLUTION 18 AND RESOLUTION 19 – SHARE PLANS

Best practice in relation to share plans has been an area of continuing development over the last few years. In the light of these developments, and mindful of the expiry of the existing Share Bonus Plan in 2005 and the Performance Share Plan in early 2006, the Remuneration Committee of the Board has proposed the renewal of both plans this year, one advantage of which will be that there will be common commencement and expiry dates of both plans. Accordingly, the Company proposes to introduce a new Share Bonus Plan ("SBP") and a Performance Share Plan ("PSP") for the benefit of employees and full-time directors.

The aim is to keep the plans simple; to allow them to evolve rather than to change them radically, as it is important that recipients understand the plans and their impact. The purpose of both the Share Bonus Plan and the Performance Share Plan is to encourage employees to identify with the Company and its objectives through investing in shares of the Company. The Company considers both plans to be an important part of the total package of benefits available to managers.

Under SBP, conditional awards of shares in the Company may be made to participants by reference to their achievement of annual performance criteria. Under the existing SBP, no dividend has been paid on these shares. Awards will not exceed 36% of base salary.

The only change proposed from the existing SBP is that dividends would now be paid to participants on shares which are the subject of unvested awards to them, until those awards either vest or lapse.

Under PSP, participants are granted a conditional award of shares. The vesting of PSP awards is subject to performance, specifically the ranking of the Company in terms of its Total Shareholder Return ("TSR") measured against other FTSE 100 companies over three years. In addition, under the existing PSP, there is an overriding requirement that the Remuneration Committee consider that the Company's underlying performance justifies vesting.

The change proposed from the existing PSP is that, in order to determine underlying performance, the Remuneration Committee will specify, in advance, five factors to which it shall have regard in determining the

Explanation of Resolutions

adequacy or otherwise of that underlying performance. These factors will be published in the Remuneration Report preceding each grant of PSP awards.

Summaries of the principal terms of the proposed new Share Bonus Plan and Performance Share Plan, which have been the subject of prior discussions between the Board and the Company's institutional shareholders, are set out below.

Resolutions 18 and 19 will, if passed, approve the new SBP and PSP, respectively, and empower the Board to carry them into effect.

1. Summary of the Legal & General Group Plc Share Bonus Plan 2004 (the "SBP"):

The SBP will operate in conjunction with the Legal & General Employees' Share Ownership Trust (the "Trust").

1.1 Eligibility

Any employee or full-time director of the Company is eligible for an award under the SBP.

1.2 Awards – participation and performance

Awards take the form of a conditional or forfeitable award of Ordinary shares in the Company ("Restricted Shares"). A sum will be paid to the trustee which will be used to acquire Ordinary shares to be held by the trustee of the Trust. Restricted Shares will be purchased by the trustee, not subscribed for.

An award of Restricted Shares will form part of a participant's total annual bonus. In normal circumstances the normal SBP award to an individual would be 60% of the individual's annual cash bonus, thus deferring 37.5% of the participant's total annual bonus. This percentage could increase in special circumstances such as recruitment or retention or decrease, for example, if close to retirement. The total SBP award will not exceed 36% of salary.

The annual cash bonus is based on annual performance. The amount of the bonus varies according to the performance of the business and the individual, measured against pre-determined objectives. The objectives of the Executives are set out in the Directors' Report on Remuneration in the Company's Annual Report and Accounts.

1.3 Timing

Awards may not be made at a time when dealings in the Company's shares are prohibited by the Model Code of the UK Listing Authority.

1.4 Vesting of Restricted Shares

Restricted Shares shall vest on the date set on or before their award. On vesting, the Restricted Shares shall cease to be subject to the restrictions and the risk of forfeiture provided for by the SBP.

No amount is payable by participants when Restricted Shares vest.

Restricted Shares will not normally vest before the third anniversary of their award or an earlier change in control, reconstruction under section 425 of the Companies Act 1985, or voluntary winding up of the Company.

If, before the relevant vesting date of the award of Restricted Shares, a participant ceases (other than by reason of ill-health, death, retirement, redundancy, disability or the transfer of the undertaking or part undertaking in which the participant is employed) to hold employment with the Company or any of its subsidiaries then the award of Restricted Shares will lapse unless and to the extent that the Remuneration Committee determines otherwise.

If a participant ceases employment by reason of ill-health, death, retirement, redundancy, disability or the transfer of the undertaking or part undertaking in which the Participant is employed, the award of Restricted Shares shall vest.

1.5 Other rights

Restricted Shares are non-transferable prior to their vesting and are not pensionable.

Explanation of Resolutions

Restricted Shares shall rank *pari passu* in all respects with Ordinary shares then in issue and will rank for any dividend or other distribution paid. Pending the vesting of an award, participants shall be entitled to the dividends paid on Restricted Shares. On vesting, Restricted Shares shall be transferred by the trustee to the participant with all rights and benefits attaching thereto.

A participant may direct the trustee to vote Restricted Shares held subject to his award unless the relevant award shall lapse.

1.6 Issues and re-organisations

Where new shares are allotted to the trustee by way of capitalisation, the number of Restricted Shares being the subject of an award may be adjusted in such manner as the Remuneration Committee may determine, in their opinion, to be fair and reasonable.

In the case of a rights issue, the trustee is obliged to sell such proportion of the nil paid rights to which it is entitled in relation to Restricted Shares and to use the proceeds to subscribe for the balance. Ordinary shares so acquired shall be added pro-rata to the Restricted Shares in respect of which the entitlement to the nil paid rights arose.

1.7 Administration and amendment

The SBP will be administered by the Remuneration Committee which may amend the rules, provided that no amendment may be made which would alter to the disadvantage of a participant any rights already acquired by him under the SBP without the prior approval of the affected participant.

No amendment may be made which would involve the trustee in a new or additional obligation or liability without the prior agreement of the trustee.

The Board may alter the administration of the SBP and amend the terms or impose conditions on the making, or the terms of, awards to take account of overseas taxation and securities or exchange control laws, provided such changes are not inconsistent with the provisions of the SBP.

1.8 Termination

The SBP will terminate on the tenth anniversary of its approval by shareholders or by earlier resolution of the Board but the rights of existing participants will not thereby be affected. In the event of termination no further awards will be made.

2. Summary of the Legal & General Group Performance Share Plan 2004 (the "PSP").

The PSP will operate in conjunction with the Legal & General Employees' Share Ownership Trust (the "Trust").

2.1 Eligibility

The PSP will be used for approximately 50 top managers in the Company.

2.2 Awards

Awards will take the form of a conditional or forfeitable award of Ordinary shares in the Company ("Performance Shares"). Performance Shares will, to the extent they vest, normally be transferred to the participants after at least three years (the "Vesting Period"). The number of Performance Shares which vest will be determined by the Company's performance over the Vesting Period. A participant who leaves service during the Vesting Period will normally forfeit any awards under the PSP.

2.3 Timing

Awards may be made within the period of 42 days commencing on the date on which the PSP is approved by the Company in general meeting and thereafter within 42 days after the Company's preliminary announcement of results. These periods may be postponed or extended where dealings are prohibited by the Model Code.

Explanation of Resolutions

2.4 Performance conditions

The performance condition or conditions determined by the Remuneration Committee as attaching to each award under the PSP will be described in the Company's report and accounts published for the year immediately before such award.

Awards made under the PSP will only vest if the performance condition is satisfied. The performance condition will be determined at the date of the award and will be such as to require underlying sustained financial growth of the Company.

The Remuneration Committee's intention is that the number of Performance Shares vesting under the first PSP awards should be dependent on the Total Shareholder Return achieved by the Company relative to the Total Shareholder Return of the other companies in the FTSE 100 Index in accordance with the following scale:

L&G Relative TSR	Vest
Lower than 50th	Nil
50th	1 x Performance Shares awarded
20th or better	4 x Performance Shares awarded
Pro rata between 20th and 50th	

So, if the Company's relative Total Shareholder Return ranks below 50th, no Performance Share award will vest. At the 50th position, the awarded number of Performance Shares will vest. If the Company's relative Total Shareholder Return ranks equal to or better than 20th position, a maximum of four times the number of Performance Shares subject to the award shall vest. For ranking between these two points the number of Performance Shares which will vest will be determined on a proportionate basis between one and four times the number awarded.

In addition to the TSR performance condition set out above, each year the Remuneration Committee will determine an underlying performance measure. The effect of the underlying performance measure will be that four out of five pre-determined factors will have to be achieved before an award under PSP vests, irrespective of relative TSR. For example, for 2004, the underlying performance parameters will be market share, partnerships gained and maintained, cost restraint, capital management and Shareholders' perception.

2.5 Vesting of Performance Shares

Performance Shares shall vest on the date set on or before their award. Following vesting the Performance Shares shall be transferred to the participant.

No amount is payable by participants when Performance Shares vest.

Awards of Performance Shares will lapse if it is established that the performance condition cannot be satisfied. Performance Shares will not normally vest unless the participant is still an employee of the Group on the relevant vesting date.

If, before the relevant vesting date of the award of Performance Shares, a participant ceases (other than by reason of ill-health, death, retirement, redundancy, disability or the transfer of the undertaking or part undertaking in which the participant is employed) to hold employment with the Company or any of its subsidiaries then the award of Performance Shares will lapse.

If a participant ceases employment by reason of ill-health, death, redundancy, retirement, disability or the transfer of the undertaking or part undertaking in which the participant is employed during the Vesting Period the performance condition will be tested as of the day immediately before the date of cessation of employment and, if it has been satisfied Performance Shares will vest, the number of Performance Shares will be reduced *pro rata* to take into account the reduced Vesting Period.

If, before the relevant vesting date, there is a change of control of the Company the performance condition will be tested as of the day immediately before the change of control occurred and, if it has been satisfied Performance Shares will vest, the number of Performance Shares will be reduced *pro rata* to take into account the reduced Vesting Period.

The Remuneration Committee will have ultimate discretion to determine the number of Performance Shares, which should vest or not in the event of a change of control or in the event of cessation of employment during the Vesting Period.

Explanation of Resolutions

2.6 Other rights

Performance Shares are non-transferable prior to their vesting and PSP awards are not pensionable.

Performance Shares acquired under the PSP shall rank *pari passu* in all respects with Ordinary shares then in issue and will rank for any dividend or other distribution paid or made by reference to a record date falling on or after their vesting. Pending vesting of Performance Shares, participants shall not be entitled to any dividends paid.

A participant may not direct the trustee to vote Performance Shares held under his PSP award.

2.7 Issues and re-organisations

The rights of a participant following any rights issue or capitalisation issue or other variation of capital will be adjusted in such manner as the Remuneration Committee may determine, in their opinion, to be fair and reasonable.

2.8 Administration and amendment

The PSP will be administered by the Remuneration Committee which may amend the rules by resolution provided that (a) prior approval of the Company in general meeting will be required for any amendment to the advantage of participants, except in the case of minor amendments to benefit the administration of the PSP and amendments to take account of changes in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any member of the Group and (b) no amendment may be made which would alter to the disadvantage of a participant any rights already acquired by him under the PSP without the prior approval of the affected participant.

No amendment may be made which would involve the trustee in a new or additional obligation or liability without the prior agreement of the trustee.

2.9 Termination

The Remuneration Committee may at any time at their discretion terminate the PSP but, in any event, it will terminate on the tenth anniversary of its approval by shareholders. The rights of existing participants will not thereby be affected. In the event of termination no further awards will be made.

Definitions

Legal & General/the Company	Legal & General Group Plc
London Stock Exchange	London Stock Exchange plc
Ordinary resolution	A resolution passed by more than 50% of the votes cast
Ordinary shares	Legal & General Group Plc ordinary shares of 2.5p each
Special resolution	A resolution passed by at least 75% of the votes cast
Combined Code	The Combined Code on Corporate Governance issued in June 1998

