



Proxy Report

Man Group

Country	United Kingdom
Meeting date	Thursday, 07 July 2011 at 11:00
Meeting location	London, United Kingdom
Meeting type	Annual General Meeting
Securities	ISIN GB00B28KQ186, Telekurs 3506150

General Meeting Highlights

Emmanuel Roman and Matthew Lester were appointed to the Board in May 2011 and will submit themselves for election at the 2011 AGM. Dugald Eadie will step down from the Board after nine years' service. In the determination of remuneration, the Committee has deemed unnecessary to rely on a peer group in its performance assessment as it is "not aware of any listed companies of substantial size whose main business activities are comparable in nature and scale to that of Man Group". Hence, performance criteria are set only on an absolute basis. We therefore recommend voting against resolutions 2 and 15.

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1. Voting Positions

Item	Proposal		ECGS voting position	Board's position
01	To receive the Financial Statements, the Directors' Report and the Auditors' Report.		FOR	FOR
02	To approve the report on executive compensation.	●	OPPOSE	FOR
03	To approve the final dividend.		FOR	FOR
04	To approve the election of the executive director: Emmanuel Roman.		FOR	FOR
05	To approve the election of the non-executive director: Matthew Lester.		FOR	FOR
06	To approve the re-election of the Senior Independent Director: Alison Carnwath.		FOR	FOR
07	To approve the election of the non-executive director: Phillip Colebatch.		FOR	FOR
08	To approve the appointment of PricewaterhouseCoopers LLP as the auditing firm.	●	OPPOSE	FOR
09	To authorize the directors to establish the auditors' fees.		FOR	FOR
10	To authorize the allocation of securities.		FOR	FOR
11	Special Resolution: To limit pre-emptive rights.		FOR	FOR
12	Special Resolution: To authorize share buyback.		FOR	FOR
13	Special Resolution: To reduce the minimum notice period for convening a meeting.	●	OPPOSE	FOR
14	Special Resolution: To amend the articles of association and bylaws.		FOR	FOR
15	Special Resolution: To approve the Man Group plc 2011 Executive Share Option Plan.	●	OPPOSE	FOR

2. Proxy Analysis

01	To receive the Financial Statements, the Directors' Report and the Auditors' Report.	FOR
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These reports were provided to all shareholders 21 days before the day of the meeting. The auditors' report is not qualified. We recommend voting in favour of the proposal.

02	To approve the report on executive compensation.	OPPOSE
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After carrying out an in-depth analysis of executive compensation, we observe that the CEO's remuneration was about the same at US\$2,697,000. Including the LTIP awards, his total remuneration is evaluated at \$12.9 million. We note that the company's share price outperformed the FTSE 100, appreciating by 18.65% in the period under review. Moreover, the company's TSR also outperformed the FTSE 100 in the same period. We note that, in order to harmonize with the new accounting cycle and the rest of the Company following the acquisition of GLG Partners, the executive directors had a nine month performance evaluation and bonus period ended 31 December 2010.

The information submitted to shareholders is well-structured on several levels. It clearly defines the breakdown of compensation into variable and fixed components: the different compensation components (cash bonuses, deferred bonus, performance shares and option plans), the company's performance criteria and performance self-assessment. However, we note that the Company does not rely on a peer group. Thus, the Remuneration Committee sets performance conditions only on an absolute basis.

For the third year, there was no increase of base salaries. The CEO got a 25% rise in his bonus despite a fall in net profit and outflows from the hedge-fund operator's funds. The maximum value of option awards under the Executive Share Option Plan is capped at 200% of base salary. However, in exceptional circumstances, the maximum annual value that may be granted is 500% of base salary. The definition of an "exceptional circumstance" is at the discretion of the Remuneration Committee. Further, we note that LTIP awards may vest or become exercisable before their normal vesting date in the event of a change of control.

Overall, the proposed compensation is deemed excessive. We note that the aggregate of the maximum bonus awards and the maximum proposed award under the numerous LTIPs exceeds the maximum of 400% as defined by our policy. We are also uncomfortable with the discretionary aspect in the evaluation of exceptional circumstances. These weaknesses justify a vote against the proposal.

03	To approve the final dividend.	FOR
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The Board is recommending a final dividend of 12.5 US cents per share. As an interim dividend of 9.5 cents per share was already paid this year, this will make a total dividend for the year of 22 cents per share. The final dividend is covered by earnings (14.2 cents per share). The final dividend will be paid on 1 July 2011. We recommend voting in favour of the proposal.

04	To approve the election of the executive director: Emmanuel Roman.	FOR
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He is the Chief Operating Officer of the Group since October 2010, following the acquisition of GLG. There is no reason to oppose this nominee's election. We recommend voting in favour of the candidate.

05	To approve the election of the non-executive director: Matthew Lester.	FOR
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This nominee is deemed independent according to the policy. He was appointed to the Board in May 2011. He is a member of the Audit and Risk Committee and is also a member of the Nomination Committee. There is no reason to oppose this nominee's election. We recommend voting in favour of the candidate.

Proxy Analysis

06	To approve the re-election of the Senior Independent Director: Alison Carnwath.	FOR
	<p>This nominee is not deemed independent according to the policy. Being appointed in January 2001, she has been on the Board for over 9 years. She is a member of the Audit and Risk Committee, the Remuneration Committee and the Nomination Committee. Nevertheless, as the level of independence is sufficient, we therefore recommend approving her re-election.</p>	
07	To approve the election of the non-executive director: Phillip Colebatch.	FOR
	<p>This nominee is deemed independent according to the policy. He was appointed to the Board in September 2007. He is the Chairman of the Remuneration Committee and is also a member of the Nomination Committee. There is no reason to oppose this nominee's election. We recommend voting in favour of the candidate.</p>	
08	To approve the appointment of PricewaterhouseCoopers LLP as the auditing firm.	OPPOSE
	<p>The fees paid by the company to its external auditor for non-audit services correspond to 64% of the audit fee and to 54% on an aggregate three year basis. The amount paid for non-audit fees on an aggregate three year basis is too high in our opinion and is likely to impair the auditor's independence. We recommend voting against the proposal.</p>	
09	To authorize the directors to establish the auditors' fees.	FOR
	<p>It is the Board's responsibility to establish the auditors' fees. We recommend voting in favour of the proposal.</p>	
10	To authorize the allocation of securities.	FOR
	<p>The allotment of securities is acceptable given that it represents 33% of outstanding shares (and up to 66% comprising equity securities) and has a specific timeframe. This allotment is justified by adequately disclosed business reasons and is in accordance with the ABI guidance. We recommend voting in favour of the proposal.</p>	
11	Special Resolution: To limit pre-emptive rights.	FOR
	<p>The lifting of pre-emptive rights is limited to 5% of outstanding shares. The proposal is justified by adequate business reasons, and is deemed to be in the interest of shareholders. Additionally, the Board confirms its intention to follow the UK Pre-emption group's guidelines regarding the rolling three-year cumulative use of the authority, in that the cumulative use of the authority will not exceed 7.5% without a prior consultation with shareholders. We recommend voting in favour of the proposal.</p>	
12	Special Resolution: To authorize share buyback.	FOR
	<p>Shares that may be repurchased (to be cancelled or may be held as treasury shares) will not represent more than 10% of outstanding shares. The maximum buying price is 105% of the average middle market quotation for the five business days immediately preceding the purchase. All voting rights related to these shares are suspended and no dividend distribution is allowed. This buyback has a well-structured timeline and the price is reasonably limited. We recommend voting in favour of the proposal.</p>	
13	Special Resolution: To reduce the minimum notice period for convening a meeting.	OPPOSE
	<p>This proposal requests the authorization to shorten the delay in calling special meetings from 21 to 14 days, which limits the time available to shareholders to prepare for the meeting. We recommend voting against the proposal.</p>	

Proxy Analysis

14	Special Resolution: To amend the articles of association and bylaws.	FOR
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The proposal aims to make changes to the corporate articles in order to reflect a formal amendment to the rights attaching to the Deferred Sterling Shares. The changes generally clarify the current articles and are administrative in nature. The Deferred Shares carry no voting rights and no rights to income or dividends. They are not listed and have no economic value. We recommend voting in favour of the proposal.

15	Special Resolution: To approve the Man Group plc 2011 Executive Share Option Plan.	OPPOSE
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The maximum value of option awards under the Plan is capped at 200% of base salary. However, in exceptional circumstances, the maximum annual value that may be granted is 500% of base salary. The definition of an "exceptional circumstance" is at the discretion of the Remuneration Committee. The share-dilution rate is limited to 5% of outstanding shares in any 10-year period. The exercise of an option is subject to performance conditions having been satisfied, which are based on the cumulative net management fee income growth and on the average annual adjusted return on equity. As there are no further details on the performance criteria, it is impossible to assess the quality of the proposed conditions. The performance period will not be shorter than three years. We would welcome an additional relative performance criterion, as these measures are both on an absolute term. Unexercised options granted will lapse on cessation of employment. In the event of a change in control, options will vest taking into account performance up to that date. However, if the change of control occurs where the shareholders are substantially the same (at least 75%) before and after the event, options will not vest early but are instead exchanged for options of equivalent value. Overall, the Plan is not consistent with the policy. We are uncomfortable with the discretionary aspect in the evaluation of exceptional circumstances that may lead to an excessive grant. We recommend voting against the proposal.

3. Company Information

Before the General Meeting of 7 July 2011

3.1 General Information

Activities

The MAN Group is an industrial player in transport-related engineering, with revenue of approximately €12 billion in 2009. As a supplier of trucks, buses, diesel engines, turbo machines, and special gear units, MAN employs approximately 47,700 people worldwide.

Man Group PLC is the holding company for the Man group of companies. The Company is engaged in alternative investment management business. The Company distributes its products and solutions to private investors via a global network of intermediaries, and directly to institutions. Man provides asset management and investment management services to private investors, institutions and financial professionals. The Company's principal operating subsidiaries include Man Investments Limited, Man Investments AG, Man Investments (USA) LLC, Man Investments (CH) AG, Man Group UK Limited, E D & F Man Limited, Man Investments Holdings Limited, Man Group Holdings Limited, Man Ultraviolet Limited and Man Investments Finance Limited. In October 2010, the Company acquired GLG Partners, Inc.

Corporate Responsibility Summary:

The Company is the first publically quoted hedge fund company admitted to the Dow Jones Sustainability Indexes.

- Sustainability reporting: The Company's website comprises a section on corporate responsibility.
- Environment: The Company discloses data on greenhouse gas emissions, energy consumption, waste, water. Man Group has been a signatory to the Carbon Disclosure Project since 2006 and a member of the Dow Jones Sustainability Indexes since 2007.
- Employee information: Data are available on employee turnover, diversity.
- Community: Data are available on community investment.

Company Information

3.2 Share Capital and Shareholder Relations

Description As at 31 March 2011, the Company's issued and fully paid share capital was \$65,000,000 comprising of 1,881,460,689 ordinary shares of 33/7 US cents each and 50,000 deferred sterling shares of £1 each. Unlisted deferred sterling shares were issued following the redenomination of the ordinary share capital into ordinary shares of 18 US cents each. These shares are necessary to continue to comply with Section 763 of the Companies Act 2006. The deferred sterling shares are freely transferable and have no rights to participate in the profits of the Company, to attend, speak or vote at any general meeting and no right to participate in any distribution in a winding up except for a return of the nominal value in certain circumstances. Respect of the one share – one vote principle.

As at 26 May 2011, Major shareholders of the company were: BlackRock, Inc. with 13.06%, AXA S.A. with 4.15%, Legal & General Group Plc with 3.70% and G&S Trustees Limited- Pierre Lagrange with 3.41%.

Combined code compliance statement: The Company has, throughout the year ended 31 March 2011, applied the principles of and complied with the provisions of Section 1 of the Combined Code on Corporate Governance (2008) except in the following respect: Provision B.2.2 of the Combined Code requires that the Remuneration Committee should have delegated responsibility for setting the remuneration of the Chairman. At Man, the remuneration of the Chairman is determined by the Board based on the recommendation of the Remuneration Committee.

3.3 Financials and Key Figures

Year end 31. March

Reporting standard IFRS

		2010	2009	2008
Total revenues	GBP	1'655.00 million	1'345.00 million	2'488.00 million
Net operating income	GBP	324.00 million	541.00 million	743.00 million
Net income attributable to shareholders (without minority interests)	GBP	211.00 million	445.00 million	503.00 million
Shareholders' equity	GBP	4'436.00 million	3'987.00 million	4'192.00 million
Earnings per registered share (basic)	GBP	0.14	0.25	0.29
Dividend per registered share	GBP	0.22	0.44	0.25

Company Information

3.4 External Auditor

Auditor **PricewaterhouseCoopers**

Fees	In USD	2010	2009	2008
Audit fees		4'498'000	3'513'000	3'371'000
Audit related fees		371'000	497'000	696'000
Non-audit fees		2'862'000	2'014'000	1'208'000
Total		7'731'000	6'024'000	5'275'000

Comments Non-audit fees are broken down as follows :

Other services relating to taxation: \$646,000;
 Services relating to corporate finance transactions: \$1,794,000;
 All other services: \$422,000;

The fees paid by the company to its external auditor for non-audit services correspond to 64% of the audit fee and to 54% on an aggregate three year basis.

The lead auditor is Richard Oldfield.

4. Remuneration Report

Disclosure & Policy

To harmonise with the new accounting cycle and the rest of the Company, the executive directors had a nine month performance evaluation and bonus period ended 31 December 2010. A significant proportion of their remuneration has been delivered as long-term deferred awards. Variable incentives are structured such that 50% of the awards have been deferred into share or fund based incentive arrangements this year. This aligns their interests with the long-term return to shareholders and with the interests of investors in Man funds. Options with an exercise price 10% above the market price at grant (premium priced options) have also been awarded to incentivise sustained growth with the options exercisable between 3 and 10 years from the anniversary of grant. Patterson Associates has been appointed by and advised the Remuneration Committee regarding executive directors' incentives. Patterson Association does not provide any other services to the Company. PwC has advised management on the FSA Remuneration Code. McLagan and Towers Watson have also been engaged by management to provide independent compensation survey data where available. The Remuneration Committee was also assisted by the Chief Risk Officer, Group Head of HR and the Chief Executive.

Share ownership guidelines: 200% of base salary for the CEO and 1300% of base salary for the Finance Director.

Contracts: The Executive Directors all have rolling service agreements with no fixed expiry date. These existing contracts may be terminated on 12 months' notice by the Company or the Executive. To protect the Group's business interests, executive directors' service contracts contain covenants which restrict the executives' ability to solicit or deal with clients and also restricts their ability to solicit senior employees, to the extent permitted under the law of the relevant jurisdiction. Under their service contracts, external appointments require Board consent. The Remuneration Committee must approve in advance any termination payments.

Pensions: Group Personal Pension (GPP) or contribution to an alternative arrangement. The employer contribution is up to 14% of pensionable base salary.

Fixed pay

Base salaries have been frozen at the same level for a third year and are positioned below the median of the FTSE 100 financial services. Executives' salaries for 2010/2011 were as follows: \$925,000 for Mr Clarke and \$625,000 for Mr Hayes.

For the current period, Total emoluments paid to Resolution Limited Non-Executives Directors amounts to £970,000 (for 7 NEDs including the Chairman) - Executives Directors are not entitled to variable pay which is in line with best practices.

Variable Pay

Annual Bonus: The Remuneration Committee does not consider it appropriate to establish any maximum percentage of base salary payable by way of performance bonus, bonuses for employees (including executive directors) are determined by reference to the pre-tax profit after making certain adjustments, including a charge for the surplus capital held by the Group. Executive directors are awarded bonuses from the same bonus pool as employees who are subject to the governance and risk management set out in the employee section.

Performance bonuses for executive directors are discretionary. In considering the appropriate level of bonus for each director, the Remuneration Committee considers: 1) Strategy assessment measured by the extent to which the individual has contributed towards achievement of Company strategic objectives 2) Financial assessment measured by the extent to which the Group has achieved its financial targets; and 3) Qualitative assessment measured by the extent to which the individual has achieved their agreed personal objectives for the year. To align executive directors with shareholders, there is a mandatory deferral of part of the annual performance bonus into Company shares which are matched by a long term incentive award in the Performance Share Plan. A further element of the performance bonus is deferred and awarded as options over shares with an exercise price set 10% above the market price at grant. These have been awarded under the Deferred Bonus Share and Option Plan (DBSOP). Bonus awards for 2010/2011 were as follows: \$1,750,000 for Mr Clarke and \$900,000 for Mr Hayes.

Long Term Incentive Plan (LTIP): Executive directors are currently eligible to participate in the Performance Share Plan (PSP) and Executive Share Option Scheme (ESOS), at the Remuneration Committee's discretion. Under the PSP participants are eligible to receive awards of performance shares up to a maximum of 100% of base salary. Additionally the PSP participants

Remuneration Report

will receive PSP matching shares (maximum of 1:1 match) for that part of their performance bonus which is mandatorily deferred into Company shares and held for at least three years. After vesting according to performance over three years, PSP entitlements are subject to an additional one year restriction on transfer to participants dependent upon continued employment with the Company. Under the ESOS, individual share option awards are subject to annual cap of 200% of base salary, on a face value basis. For 2010, the executive directors were awarded ESOS options equivalent to 200% of base salary. Options issued under the Scheme may normally only be exercised between three and ten years from the date of grant and are subject to the satisfaction of performance conditions. Performance criteria are calculated from the end of the financial year prior to the grant of option. No re-testing of the EPS performance targets will take place for options granted since 2005. Accordingly, if the targets attached to any option are not reached after three years, the option will lapse. The Remuneration Committee is not aware of any listed companies of substantial size whose main business activities are comparable in nature and scale to that of Man Group, and accordingly the Remuneration Committee does not see any merit in trying to benchmark performance criteria against any other companies. The Remuneration Committee sets performance conditions to achieve absolute returns, not relative returns, for its shareholders. Both PSP awards and ESOS awards have the same three-year growth and returns performance measures. There is an additional one year holding period for the PSP. The performance conditions for the 2011 awards have been weighted as follows: 75% Cumulative three-year Net Management Fee Income Growth (NMFIG) and 25% Average three-year Adjusted Return on Equity. For the NMFIG condition, full vesting occurs at a NMFIG cumulative over the three-year period of 50% and the threshold is at 10% for a 25% vesting. For the AROE condition, full vesting occurs at an average AROE of 25% over a three-year period and the threshold is at 10% for a 25% vesting. There is straight line vesting between the threshold and maximum vesting. Total awards made under the LTIP in 2010/2011 were as follows: \$10,058,250 for Mr Clarke and \$3,419,370 for Mr Hayes.

Summary CEO's emoluments:

Salary: \$925,000
Bonus: \$1,750,000
LTIP: \$10,058,250
Benefits: \$21,000
Total for the year: \$12,856,300

5. Board of Directors

Composition after the General Meeting of 7 July 2011

Committee	Executive	Affiliated non-executive	Independent non-executive	Total
Board of Directors	3	1	6	10
Audit committee	0	1	3	4
Nomination committee	0	1	6	7
Remuneration committee	0	1	3	4
Risk committee	0	1	3	4

Election procedure for directors	Individual
Mandate duration	3 years
Number of board meetings during the past year	14 (92% attendance rate)
Number of audit committee meetings during the past year	6 (100% attendance rate)
Number of remuneration committee meetings during the past year	6 (100% attendance rate)
Number of nomination committee meetings during the past year	6 (100% attendance rate)
Average attendance rate at board meetings disclosed	yes

Emmanuel Roman and Matthew Lester were appointed to the Board in May 2011 and will submit themselves for election at the 2011 AGM. Dugald Eadie will step down from the Board after nine years' service.

There is one woman on the Board.

Board of Directors

Jon Aisbitt

Independent Chairman

Nationality British
 Age
 Director since / term ends 2003 / 2012
 Committee memberships – Remuneration committee
 Main activity none
 Directorships – New Forest Company Holdings, Member

Peter Clarke

Executive Member, Chief Executive Officer

Nationality British
 Age
 Director since / term ends 1997 /
 Committee memberships none
 Affiliation – Board membership exceeding time limit for independence
 Main activity – Man Group (United Kingdom), CEO

Kevin Hayes

Executive Member, Chief Financial Officer

Nationality
 Age
 Director since / term ends 2007 /
 Committee memberships none
 Main activity – Man Group (United Kingdom), CFO

Board of Directors

Emmanuel Roman

Executive Member, Chief Operating Officer New Nominee

Nationality French

Age

Director since / term ends 2011 / 2014

Committee memberships none

Main activity – Man Group (United Kingdom), COO

Directorships – Grupo Prisa (Spain), Member

Alison Carnwath

Affiliated Member Up for Re-election

Nationality British

Age 58

Director since / term ends 2001 / 2012

Committee memberships – Audit committee
– Nomination committee
– Remuneration committee
– Risk committee

Affiliation – Board membership exceeding time limit for independence

Main activity none

Directorships – Land Securities (United Kingdom), Chairman
– Barclays (United Kingdom), Member
– ISIS EP LLP, Chairman
– Paccar Inc., Member

Phillip Colebatch

Independent Member Up for Re-election

Nationality Australian

Age

Director since / term ends 2007 / 2014

Committee memberships – Nomination committee

Main activity none

Directorships – Insurance Australia Group (Australia), Member
– Lend Lease Corp. (Australia), Member
– LGTGroup Foundation, Member, Board of Trustees

Board of Directors

Ruud Hendriks

Independent	Member
Nationality	Dutch
Age	
Director since / term ends	2009 / 2012
Committee memberships	<ul style="list-style-type: none"> – Nomination committee – Remuneration committee
Main activity	none
Comments	President of Man Investments SGR S.p.A.

Frédéric Jolly

Independent	Member
Nationality	French
Age	
Director since / term ends	2009 / 2012
Committee memberships	<ul style="list-style-type: none"> – Audit committee – Nomination committee – Risk committee
Main activity	none

Matthew Lester

Independent	Member	New Nominee
Nationality	British	
Age		
Director since / term ends	2011 / 2014	
Committee memberships	<ul style="list-style-type: none"> – Audit committee – Nomination committee – Risk committee 	
Main activity	– Royal Mail Group, Chief Financial Officer	
Comments	He is on the main Committee of the Hundred Group of Finance Directors	

Board of Directors

Patrick O'Sullivan

Independent

Member

Nationality	Irish
Age	61
Director since / term ends	2007 / 2013
Committee memberships	– Nomination committee
Main activity	none
Directorships	<ul style="list-style-type: none"> – Old Mutual (United Kingdom), Chairman – Bank of Ireland (Ireland), Member – COFRA Group, Member
Comments	<p>Chartered Accountant. Former Vice Chairman of Zurich Financial Services. Former CEO of Eagle Star Insurance (London). Former COO of Barclays De Zoete Wedd Holdings (London).</p>

Report issued:

21 June 2011

Analyst:

< not defined >

About ECGS

ECGS provides independent governance advice to institutional investors with Pan-European and Global portfolios. ECGS is the only proxy adviser operating according to a partnership approach, building on local market expertise. The analyses are based on ECGS principles reflecting high international standards of corporate governance while taking into account local governance codes and market practices. ECGS is a joint venture between the following partners: DSW (Germany), Ethos (Switzerland), Proxinvest (France, Managing Partner) and Shareholders Support (Netherlands).

Frequently used abbreviations

AGM	Annual General Meeting
EGM	Extraordinary General Meeting
NA	Not available
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COO	Chief Operating Officer
OE	Other Executive Function
Ex-	Former

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Disclaimer

The analyses rely on information gathered from sources available to investors and the general public, e.g. the companies' reports, websites and direct contacts with company officers. Despite multiple verification, the information provided cannot be guaranteed accurate. The voting positions are prepared by the different ECGS local partners according to general best practice standards in corporate governance. They also take into consideration local market practice. The analyses are intended to help investors (clients of ECGS or any other potential users) make informed decisions at companies' general meetings but cannot, in any way, be considered as a portfolio investment tool or advice for investing in securities.

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