

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **December 19, 2005**

MANPOWER INC.

(Exact name of registrant as specified in its charter)

Wisconsin
(State or other jurisdiction
of incorporation)

1-10686
(Commission
File Number)

39-1672779
(IRS Employer
Identification No.)

5301 North Ironwood Road
Milwaukee, Wisconsin
(Address of principal executive offices)

53217
(Zip Code)

Registrant's telephone number, including area code: (414) 961-1000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

On December 14, 2005, the Board of Directors of Manpower Inc. approved, based on the recommendation of the Nominating and Governance Committee, a revised compensation program for non-employee directors of the Company (the "Program") and revised Terms and Conditions Regarding the Grant of Awards to Non-Employee Directors under the 2003 Equity Incentive Plan of Manpower Inc. (the "Terms and Conditions"). The Program and the Terms and Conditions are effective January 1, 2006.

Under the Program, non-employee directors will be paid a cash retainer equal to \$60,000 per year. The chairman of the audit committee will be paid an additional cash retainer equal to \$15,000 per year, and other committee chairmen will be paid an additional cash retainer equal to \$10,000 per year. Non-employee directors will also be paid \$2,000 per board or committee meeting attended in person, and \$1,000 per board or committee meeting attended telephonically. In addition, each director will be reimbursed for travel expenses incurred in connection with attending board of directors and committee meetings.

Under the Program and the Terms and Conditions, non-employee directors may elect to receive deferred stock under the 2003 Equity Incentive Plan in lieu of the annual cash retainer (but not in lieu of the cash meeting fees). Elections may cover 50%, 75% or 100% of the annual cash retainer payable to the director for the election period to which the annual cash retainer is payable. An election period begins on January 1st of each year or the date of the director's initial appointment to the board of directors, whichever is later, and ends on the termination of a director's tenure as a director or December 31st, which ever is earlier. The deferred stock will be granted to the director following the end of the election period to which the election applies. The number of shares of deferred stock granted to the director will be equal to the amount of the annual cash retainer to which the election applies, divided by the average of the closing prices of the Company's common stock on the last trading day of each full or partial calendar quarter covered by the election period. Deferred stock will be settled in shares of the Company's common stock on a one-for-one basis on the earlier of the third anniversary of the date of grant or within 30 days after the date of termination of a director's tenure as a director. The director will have the right to extend the deferral period by at least five years, and thereafter to extend any previously extended deferral period by at least five more years, provided that the election to extend is made within the required time period.

Under the Program and the Terms and Conditions, each non-employee director will also receive an annual grant of deferred stock under the 2003 Equity Incentive Plan. The grant will be effective on the first day of each year, and the number of shares granted will equal \$100,000 (\$117,000 for calendar year 2006) divided by the closing price of a share of the Company's common stock on the last business day of the preceding year. Such deferred stock will vest in equal quarterly installments on the last day of each calendar quarter during the year. The deferred stock will be settled and the director will have the right to extend the deferral period in the same manner as provided above. Instead of receiving the grant of deferred stock, non-employee directors will have the right to elect to receive the same number of shares of restricted stock under the 2003 Equity Incentive Plan.

The Program and the Terms and Conditions also contain provisions relating to dividends on deferred stock, transition rules relating to prior compensation programs and non-employee director stock ownership guidelines.

The description of the Program and the Terms and Conditions does not purport to describe all of the terms of the Program and the Terms and Conditions and is qualified by reference to the full text of those documents, copies of which are attached to this report as Exhibits 10.1 and 10.2 and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
10.1	Manpower Inc. Compensation for Non-Employee Directors (Effective January 1, 2006)
10.2	Terms and Conditions Regarding the Grant of Awards to Non-Employee Directors under the 2003 Equity Incentive Plan of Manpower Inc. (Amended and Restated Effective January 1, 2006)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: December 19, 2005

MANPOWER INC.

By: /s/ Michael J. Van Handel

Michael J. Van Handel
Executive Vice President – Chief Financial
Officer and Secretary

EXHIBIT INDEX

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Manpower Inc.
Compensation for Non-Employee Directors
(Effective January 1, 2006)

Cash compensation

- Annual cash retainer: \$60,000 per year
- Additional cash retainer for committee chairs: \$15,000 per year for audit committee chair
\$10,000 per year for other committee chairs
- Meeting fees: \$2,000 per board or committee meeting attended in person (\$1,000 per board or Committee meeting attended telephonically)
- The annual cash retainer will be paid quarterly in arrears within two weeks following the last day of each calendar quarter, together with meeting fees for each meeting held during the quarter.

Election to Receive Deferred Stock in Lieu of Cash Retainer

- In lieu of the annual cash retainer (but not in lieu of the meeting fees), outside directors may elect to receive Deferred Stock under the Company's 2003 Equity Incentive Plan (the "Plan"). The election may cover 50%, 75% or 100% of the annual cash retainer payable to the director for the period covered by the election.
- The election must be made prior to the beginning of the election period to which the annual cash retainer relates. The election period begins on January 1 of each year and ends on December 31 of that year or, if a director ceases to be a member of the Board of Directors during the year, the date of such cessation. For new non-employee directors, the election period begins on the date of the director's appointment to the Board of Directors and the election must be made within ten business days after the date of such appointment. Any such election by a new director will only apply to the portion of the retainer earned after the election is made. The grant of Deferred Stock pursuant to any such election will be effective on the first day following the end of the election period to which the election applies.
- The number of shares of Deferred Stock granted to the director will be equal to the amount of the annual cash retainer to which the election applies, divided by the average of the closing prices of the stock on the last trading day of each full or partial calendar quarter included within the election period.
- Shares of common stock represented by such Deferred Stock held by a director will be distributed to the director on the earlier of the third anniversary of the date of grant or within 30 days after the date the director ceases to be a member of the Board of Directors. However, the director will have the right to extend the deferral period by at least five years, and thereafter to extend any previously extended deferral period by at least five more years, provided in each case this election to extend is made at least twelve months before the last day of the then current deferral period. Furthermore, in the event the shares would be distributed outside of a trading window under the Company's securities trading policy, the Company may defer distribution of the shares until the beginning of the next trading window.

Annual Grant of Deferred Stock or Restricted Stock

- In addition to the cash compensation (or elective Deferred Stock), non-employee directors each will receive an annual grant of Deferred Stock under the Plan. The grant will be effective on the first day of each year, and the number of shares granted will equal \$100,000 (\$117,000 for calendar year 2006) divided by the closing sale price of a share of the Company's common stock on the last business day of the preceding year. Such Deferred Stock will vest in equal quarterly installments on the last day of each calendar quarter during the year.
- Shares of common stock represented by vested Deferred Stock held by a director will be distributed to the director on the earlier of the third anniversary of the effective date of grant or within 30 days after the date the director ceases to be a member of the Board of Directors. However, the director will have the right to extend the year deferral period by at least five years, and thereafter to extend any previously extended deferral period by at least five more years, provided in each case this election to extend is made at least twelve months before the last day of the then current deferral period. Furthermore, in the event the shares would be distributed outside of a trading window under the Company's securities trading policy, the Company may defer distribution of the shares until the beginning of the next trading window.
- Instead of receiving this grant of Deferred Stock, non-employee directors will have the right to elect to receive the same number of shares of Restricted Stock under the Plan. Like the Deferred Stock, any such grant will be effective on the first day of the year and will vest in equal quarterly installments on the last day of each calendar quarter during the year. Any such election will be effective only if made on or before December 31 of the preceding year.

A new non-employee director will receive a grant of Deferred Stock effective the date the director is appointed to the Board. The grant will be for a number of shares of Deferred Stock equal to \$100,000 prorated for the period beginning on the date of the director's appointment and ending on December 31 of that year, divided by the closing sale price of a share of the Company's common stock on the last trading day immediately prior to the effective date of grant. Such Deferred Stock will vest in prorated installments on the last day of each calendar quarter occurring after the date of grant. Instead of receiving this grant of Deferred Stock, the new non-employee director will have the right to elect to receive the same number of shares of Restricted Stock under the Plan, with a vesting schedule the same as the Deferred Stock the director would otherwise have received. Any such election will be effective only if made within 10 business days after the date of such appointment and will only apply to that portion of the shares earned in the first full calendar quarter after the election is made by the director and subsequent calendar quarters during the same year. If such an election is made by a director, he or she will receive a grant of Deferred Stock for that portion of the shares earned between the date the director is appointed to the Board and the last day of the calendar quarter in which the election is made.

Dividends on Deferred Stock

Directors holding Deferred Stock will be granted an additional number of shares of Deferred Stock on the first day of each calendar year attributable to dividends paid by the Company during the prior year. The number of shares of Deferred Stock granted will equal (i) the amount of dividends the director would have received during the prior calendar year if Deferred Stock held by the director had been outstanding common stock, (ii) divided by the average closing prices of the stock on the last trading day of each calendar quarter during the year (or shorter period for a director whose membership on the Board ceases during the year).

Transition Rules

Elections to receive Deferred Stock in lieu of cash compensation under the compensation program for non-employee directors in effect prior to 2006 will remain in effect and will continue to be governed by the then applicable program terms.

The right under the prior compensation program for non-employee directors to elect options in lieu of cash compensation was terminated as of July 29, 2003, except as provided below.

- All elections in effect as of July 29, 2003 will remain in effect.
- Directors in office prior to July 29, 2003 will be entitled to elect to receive Deferred Stock as described above for only the excess of the new annual retainer over \$50,000 for the period from July 29, 2003 through November 4, 2006.

Stock Ownership Guidelines

The stock ownership guideline for non-employee directors is five times the annual retainer (currently \$60,000, for a total guideline of \$300,000).

Non-employee directors have three years to attain this guideline from January 1, 2006, or for new non-employee directors from the date of the director's appointment to the Board.

For this purpose, ownership includes Deferred Stock and Restricted Stock but only to the extent vested, and does not include stock options.

**Terms and Conditions Regarding the Grant of Awards
to Non-Employee Directors under the
2003 Equity Incentive Plan
of
Manpower Inc.**

(Amended and Restated Effective January 1, 2006)

1. Definitions

Unless the context otherwise requires, the following terms shall have the meanings set forth below:

- (a) “Average Trading Price” shall mean, with respect to any period, the average of the Market Prices on the last trading day of each full or partial calendar quarter included within such period.
- (b) An “Election Period” shall mean a period of time (i) beginning on January 1 of any year with respect to an individual serving as a Director as of that date and, with respect to an individual becoming a Director after January 1 of any year, the date the Director first becomes a Director and thereafter January 1 of any year and (ii) ending on the earlier of the date of termination of a Director’s tenure as a Director or the next succeeding December 31.
- (c) “Equity Plan” shall mean the 2003 Equity Incentive Plan of Manpower Inc.
- (d) “Retainer” shall mean the annual cash retainer payable to a Director as established from time to time by the Board of Directors; provided, however, that the term “Retainer” shall not include that portion of the annual cash retainer as to which a right exists to make an election under, or for which a prior election is in effect under, the Terms and Conditions Regarding the Grant of Options in Lieu of Cash Directors Fees to Non-Employee Directors Under 2003 Equity Incentive Plan of Manpower Inc. (the “Option Terms”) or the Procedures Governing the Grant of Options to Non-Employee Directors Under the 1994 Executive Stock Option and Restricted Stock Plan of Manpower Inc. (the “Option Procedures”).

Any capitalized terms used below which are not otherwise defined above will have the meanings assigned to them in the Equity Plan.

2. Right to Elect Deferred Stock in Lieu of Retainer.

At the beginning of each Election Period, a Director may elect to receive, in lieu of the Retainer to which he or she would otherwise be entitled for that Election Period, Deferred Stock

granted in accordance with the following. The election shall cover 50 percent, 75 percent or 100 percent of the Retainer payable to the Director for the Election Period. To be effective, the election must be made by notice in writing received by the Secretary of the Company (i) on or before the December 31 immediately preceding the beginning of the Election Period for an individual serving as a on such date, and (ii) on or before the tenth business day after the date the Director becomes a Director for an individual becoming a Director during a calendar year. Any such election made by a Director within 10 business days after becoming a Director shall only apply to that portion of the Retainer that is attributable to services performed by the Director subsequent to the date of the election. Notwithstanding the foregoing, no Director who is a resident of the United Kingdom shall be eligible to make an election hereunder but rather shall be required to receive Deferred Stock in lieu of 100 percent of the Retainer and, as such, treated as if he or she had made an election covering each Election Period applicable to the Director. The number of shares of Deferred Stock granted shall equal (i) the elected percentage of the amount of the Retainer payable to the Director for the Election Period to which the election relates (not including any portion of the Retainer attributable to services performed prior to the date of election for an electing Director who becomes a Director during the year), divided by (ii) the Average Trading Price for that Election Period. Such Deferred Stock shall be granted, automatically and specifically without further action of the Board of Directors, on the first day immediately following the last day of such Election Period.

3. Annual Grant of Deferred Stock or Restricted Stock.

- (a) *Grant of Deferred Stock.* Each individual serving as a Director on the first day of each calendar year shall be granted on that day, automatically and specifically without further action of the Board of Directors, a number of shares of Deferred Stock equal to \$100,000 (\$117,000 for calendar year 2006) divided by the Market Price on the last trading day of the immediately preceding year (rounded to the nearest whole share). Such Deferred Stock shall vest in equal installments on the last day of each calendar quarter during the year in which granted. Each individual becoming a Director during a calendar year shall be granted, automatically and specifically without further action of the Board of Directors, a number of shares of Deferred Stock equal to (i) \$100,000 multiplied by a fraction, the numerator of which is the number of days after the date the Director becomes a Director through the next December 31, and the denominator of which is 365, (ii) divided by the Market Price on the last trading day prior to the date of grant (rounded to the nearest whole share). The date of grant of such Deferred Stock shall be the date the Director becomes a Director. Such Deferred Stock shall vest as follows: on the last day of the calendar quarter during which the Director becomes a Director, a number of shares of such Deferred Stock shall vest equal to the total number of shares granted multiplied by a fraction, the numerator of which is the number of days after the date the Director becomes a Director through the last day of the next calendar quarter, and the denominator of which is the number of days after the date the Director becomes a Director through the next December 31, and thereafter the balance of the shares of such Deferred Stock (if any) shall vest in equal installments on the last day of each remaining calendar quarter during the year. Shares of D eferred Stock granted under this paragraph

will not vest if the Director is no longer a member of the Board of Directors on the vesting date, and any shares of Deferred Stock held by a Director which remain unvested at the time the Director ceases to be a member of the Board of Directors shall be forfeited.

- (b) *Alternative Grant of Restricted Stock.* Instead of receiving a grant of Deferred Stock under this paragraph 3, a Director shall have the right to elect to receive a number of shares of Restricted Stock equal to the number of shares of Deferred Stock the Director would otherwise have been granted. To be effective, such election must be made by notice in writing received by the Secretary of the Company (i) on or before December 31 of the immediately preceding year for an individual serving as a Director on the first day of any calendar year, and (ii) on or before the tenth business day after the date the Director becomes a Director for an individual becoming a Director during a calendar year. Any such election to receive Restricted Stock made by a Director within 10 business days after becoming a Director during a calendar year shall only apply to that portion of the Deferred Stock the Director would otherwise have received that is attributable to services performed by the Director in and after the first full calendar quarter subsequent to the date of the election and subsequent calendar quarters during the same calendar year. The date of grant of such Restricted Stock shall be the first day of the full calendar quarter beginning subsequent to the date of the election, and such Restricted Stock shall vest on the same basis as such Deferred Stock would have vested. Where an election to receive Restricted Stock is made by a Director within 10 business days after becoming a Director during a calendar year, the Director shall receive a grant of Deferred Stock equal to that number of shares of Deferred Stock the Director would otherwise have received attributable to services performed by the Director between the date the Director becomes a Director and the last day of the calendar quarter in which the election is made.

4. Deferred Stock: General Provisions

- (a) *Distribution of Shares.* The Company shall settle Deferred Stock granted under these Terms and Conditions in Shares. Shares shall be distributed in respect of such Deferred Stock (but only to the extent vested, as rounded to the nearest whole Share) on the earlier of the third anniversary of the date of grant (the "Fixed Distribution Date") or, upon a Director ceasing to be a member of the Board of Directors, within 30 days after the date of such cessation. However, a Director holding Deferred Stock granted under these Terms and Conditions shall have the right to extend the Fixed Distribution Date (any such extended date or further extended date as provided below is also referred to below as the "Fixed Distribution Date") by a period of five years or more for each such extension provided in each case the election to extend the Fixed Distribution Date is made by notice in writing delivered to the Secretary of the Company more than 12 months before the then existing Fixed Distribution Date. Notwithstanding the foregoing, if a distribution of Shares under this paragraph would otherwise occur outside of a "Trading Window" (as defined in the Manpower Inc. Statement of

Policy on Securities Trading), then the Company may delay the distribution of such Shares until the beginning of the next Trading Window.

- (b) *Dividends and Distributions.* On the first day of each calendar year, each Director shall be granted, automatically and specifically without further action of the Board of Directors, a number of shares of Deferred Stock equal to (i) the aggregate amount of dividends (or other distributions) which would have been received by the Director during the immediately preceding year if the Deferred Stock held by the Director (whether or not vested) on the record date of any such dividend or distribution had been outstanding common stock of the Company on such date, (ii) divided by the Average Trading Price for the preceding calendar year. Notwithstanding the foregoing, a Director who ceases to be a member of the Board of Directors shall be granted, automatically and specifically without further action of the Board of Directors, on the day following the date of such cessation, a number of shares of Deferred Stock equal to (i) the total amount of dividends which would have been received by the Director during the year in which termination occurs if the Deferred Stock held by the Director (whether or not vested) on the record date of any such dividend had been outstanding common stock of the Company on such date, (ii) divided by the Average Trading Price for the period from January 1 of such year through the date of such cessation. In the event of any distribution other than cash, the foregoing shall be applied based on the fair market value of the property distributed. Additional shares of Deferred Stock granted under this subparagraph 4(b) shall be settled and Shares distributed in respect of such Deferred Stock at the same time as the Deferred Stock to which the dividends and distributions relate.

5. Transition Provisions

- (a) These amended and restated Terms and Conditions shall become effective on January 1, 2006, and on that date shall supercede and replace the amended and restated Terms and Conditions in effect immediately prior thereto. However, all elections, and related rights and obligations, in effect at that time shall remain in effect and shall continue to be governed by these Terms and Conditions as then in effect.
- (b) Except as provided below, the Option Terms and the Option Procedures are terminated effective July 29, 2003. All elections in effect as of July 29, 2003 under the Option Terms and the Option Procedures shall remain in effect. Directors in office prior to July 29, 2003 for whom an election is not in effect under the Option Terms or the Option Procedures covering the full period from November 5, 2001 through November 4, 2006 will continue to have the right to make elections under the Option Terms with respect to the first \$50,000 of the annual cash retainer through November 4, 2006.

6. Application of Plan.

Except as otherwise provided in these Terms and Conditions, the Equity Plan shall apply to any Deferred Stock granted pursuant to these Terms and Conditions.