

NOTICE OF ANNUAL MEETING

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NOTICE IS HEREBY GIVEN that the Annual General Meeting of Charles Taylor Consulting plc will be held at Standard House, 12-13 Essex Street, London, WC2R 3AA, at 12 noon on 29 April 2010 for the transaction of the following business:

ORDINARY BUSINESS

To consider and, if thought fit, pass the following ordinary resolutions:

1. That the financial statements for the year ended 31 December 2009, and the reports of the directors and the auditors thereon, be received and adopted.
2. That the Report of the Remuneration Committee on pages 26 to 33 of the Report and Financial Statements for 2009 be approved.
3. That a final dividend of 9.01p per share be paid to the holders of ordinary shares on the register of members of the company at the close of business on 16 April 2010.
4. That J S M Rowe be re-elected as a director.
5. That A J Groom be re-elected as a director.
6. That M A Knight be re-elected as a director.
7. That Deloitte LLP be re-appointed as auditors of the company and that their remuneration be determined by the directors.

SPECIAL BUSINESS

To consider and, if thought fit, pass the following resolutions:

8. As a special resolution

Articles of Association (Removal of Memorandum of Association)

That, with effect from the passing of this resolution the Articles of Association of the company be amended by deleting all the provisions of the company's Memorandum of Association which, by virtue of Section 28 of the Companies Act 2006, are to be treated as provisions of the company's Articles of Association; and

9. As a special resolution

Articles of Association (Adoption of New Articles)

That the Articles of Association produced to the meeting and initialled by the chairman of the meeting for the purpose of identification be adopted as the Articles of Association of the company in substitution for, and to the exclusion of, the existing Articles of Association of the company.

10. As an ordinary resolution

Political donations

That the company be authorised to make donations to EU (European Union) political organisations, not exceeding £10,000 in total, during the period beginning with the date of the 2010 Annual General Meeting and ending at the conclusion of the day on which the 2011 Annual General Meeting is held.

11. As a special resolution

Authority to repurchase shares

That the directors be and are hereby generally and unconditionally authorised for the purpose of Section 701 of the Companies Act 2006 to make market purchases (within the meaning of Section 693(4) of the Companies Act 2006) of ordinary shares of 1p each in the capital of the company provided that:

- a) the maximum number of ordinary shares hereby authorised to be purchased is 4,007,022;
- b) the minimum price which may be paid for such shares is 1p;
- c) the maximum price (exclusive of expenses) which may be paid for any such share will be not more than 5% above the average of the middle market quotation for such shares as derived from the Daily Official List of the London Stock Exchange for the ten business days in respect of which the Daily Official List is published immediately preceding the day on which the share is to be purchased;
- d) the authority hereby conferred shall expire at the earlier of 15 months from the date of this resolution and the end of the 2011 Annual General Meeting of the company;
- e) the company may make a contract to purchase its own shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry date of such authority and make purchases of its own shares in pursuance of any such contract as if the authority conferred hereby had not expired.

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12. As an ordinary resolution

Authority to allot shares

That:

- a) the directors be and they are hereby generally and unconditionally authorised for the purpose of Section 551 of the Companies Act 2006 to allot and grant rights to subscribe for or to convert any securities into unissued shares of the company;
- b) up to an aggregate nominal amount of £133,566 (such amount to be reduced by the nominal amount of any equity securities (as defined in Section 560 of the Companies Act 2006) allotted under paragraph c below in excess of £133,566);
- c) further the company's shares in connection with a pre-emptive offer by way of a rights issue to shareholders up to a maximum nominal amount of £267,148 (such amount to be reduced by any shares allotted or rights granted under sub-paragraph (b) above) in connection with an offer by way of a rights issue;
- d) provided that this authority shall expire at the conclusion of the Annual General Meeting of the company to be held in 2011 or, if earlier, the date falling 15 months after the date of passing this resolution;
- e) the company be allowed to make any offer or agreement which will or might require any such shares to be allotted or any such rights to be granted after the expiry of this authority and the directors may, notwithstanding such expiry, allot shares and grant such rights in pursuance of any such offer or agreement made by the company before the expiry of this authority; and
- f) this authority be in substitution for all subsisting authorities given by the company for the purpose of Section 551 of the Companies Act 2006 to the extent that such authorities are unused.

13. As a special resolution

Disapplication of pre-emption rights on allotment

That subject to the passing of Resolution 12, the directors be empowered to allot any equity securities of the company under the authority conferred on them by this meeting for the purpose of Section 571 of the Companies Act 2006 as if Section 561(1) of that Act did not apply to any such allotment provided that this power be limited to:

- a) the allotment of equity securities which are offered for cash to those persons who are registered on such date as the directors may prescribe as the holders of the issued ordinary shares of the company (as nearly as may be in proportion to the number of ordinary shares respectively held by them) other than those holders resident outside the UK to whom an offer would be, in the opinion of the directors, impracticable or unlawful in any jurisdiction in the world;
- b) the allotment of equity securities which are not offered to any holders of ordinary shares of the company resident outside the UK pursuant to any such offer as aforesaid or which may represent fractional interests arising in connection with any such offer; and
- c) any other allotments of equity securities for cash up to an aggregate nominal amount of £20,035, and shall expire at the conclusion of the Annual General Meeting of the company to be held in 2011 or, if earlier, the date falling 15 months after the date of passing this resolution, save that the company may before such expiry make an offer or agreement which would or might require securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired; the expression 'equity securities' having, for the purpose of this resolution, the meaning given to it by Section 571(4) of the Companies Act 2006.

14. As an ordinary resolution

Notice of meetings

That the directors be authorised to call a general meeting other than an Annual General Meeting of shareholders with 14 days' clear notice, during the period beginning with the date of the 2010 Annual General Meeting and ending at the conclusion of the day on which the 2011 Annual General Meeting is held.

By order of the board

Ivan Keane

Secretary

23 March 2010

Registered Office

Standard House, 12-13 Essex Street

London, WC2R 3AA

Registered Number 3194476

Authorised and regulated by the Financial Services Authority

Notes

1. Only holders of ordinary shares are entitled to attend and vote at this Annual General Meeting. A member entitled to attend and vote is entitled to appoint a proxy or proxies to attend, speak and vote instead of him/her. A member may appoint more than one proxy provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. A proxy need not be a member of the company. A proxy form is enclosed with this notice and instructions for its completion are shown on the form. Proxy forms and the power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority need to be deposited with the company's Registrars, Computershare Investor Services PLC, not less than 48 hours before the scheduled start of the Annual General Meeting or any adjournment thereof. Completion of a proxy form does not preclude a member attending and voting in person at the Annual General Meeting. A vote withheld option is provided on the proxy form to enable you to instruct your proxy not to vote on any particular resolution. It should, however, be noted that a vote withheld in this way is not a 'vote' in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.

A person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

The statements of the rights of members in relation to the appointment of proxies in this notice do not apply to a Nominated Person. The rights of members in relation to the appointment of proxies can only be exercised by registered members of the company. Nominated Persons are reminded that they should contact the registered holder of their shares (and not the company) on matters relating to their investments in the company.

Under Section 319A of the Companies Act 2006, a member attending the meeting has the right to ask questions in relation to the business of the meeting. The company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the company or the good order of the meeting that the question be answered.

2. As at 22 March 2010 (being the last business day prior to publication of this notice) the company's issued share capital consists of 40,070,220 ordinary shares carrying one vote each (including nil ordinary shares held by the company in treasury which do not carry any voting rights). The total voting rights in the company as at 22 March 2010 are, therefore, 40,070,220.
3. The following documents, which are available for inspection during normal business hours at the registered office of the company on any weekday (Saturdays, Sundays and public holidays excluded), will also be available for inspection at the place of the Annual General Meeting from 11.45am on the day of the Annual General Meeting until the conclusion of the Annual General Meeting:
 - i. copies of the service contracts of the executive directors under which they are employed by the company and the letters of appointment (and other related documents) of the non-executive directors;
 - ii. the Memorandum and Articles of Association of the company; and
 - iii. copies of the rules of the Sharesave Plan, the Executive Share Option Scheme, the Loyalty Plan, the Long Term Incentive Plan and the deeds of the Employee Benefit Trusts.

From the date of this notice until the conclusion of the Annual General Meeting a version of the Articles of Association incorporating the changes proposed by Resolution 9 will be available for inspection at the registered office of the company and for at least 15 minutes before the Annual General Meeting commences and during the Annual General Meeting at the place of the Annual General Meeting.

4. The company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 and Section 360B of the Companies Act 2006, specifies that only those shareholders registered in the register of members of the company as at 6.00pm on 27 April 2010 shall be entitled to attend or vote at the aforesaid Annual General Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant register of securities after 6.00pm on 27 April 2010 shall be disregarded in determining the rights of any person to attend or vote at the Annual General Meeting.
5. Electronic proxy appointment through CREST

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for our Annual General Meeting to be held on 29 April 2010 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.

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In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited ("EUI")'s specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or relates 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 the issuer's agent (ID 3RA50) by the latest time(s) for receipt of proxy appointments specified in the notice of the Annual General Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(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 are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The CREST Manual can be reviewed at www.euroclear.com/CREST. The company may treat as invalid a CREST Proxy Instruction in the circumstances set out in regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

6. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
7. It is possible that, pursuant to requests made by members of the company under Section 527 of the Companies Act 2006, the company may be required to publish on its website a statement setting out any matter relating to the audit of the company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting or any circumstance connected with an auditor of the company ceasing to hold office since the previous meeting at which annual accounts and reports were laid. The business which may be dealt with at the Annual General Meeting includes any statement that the company has been required under Section 527 of the Companies Act 2006 to publish on its website.
8. A copy of this notice, and other information required by Section 311A of the Companies Act 2006, can be found on the company's website (www.charlestaylorconsulting.com).
9. Members can lodge their proxy using the internet 24 hours a day 7 days a week. To lodge a proxy using the internet go to the following website www.eproxyappointment.com and follow the instructions.

This Notice of Meeting contains items of business which are of a technical nature and are therefore explained below in more detail.

Resolution 1

The directors will present the report and accounts of the company for the year ended 31 December 2009.

Resolution 2

The Directors' Remuneration Report is set out on pages 26 to 33. It complies with the requirements stipulated in the Large and Medium-sized Companies and Group (Accounts and Reports) Regulations 2008 for a report on the remuneration of all directors, and the company remuneration policy. The vote is advisory only and will not require the company to alter any arrangements detailed in the Report, should the Resolution not be passed.

Resolution 3

The directors will propose a final dividend of 9.01p.

Resolution 4, 5 and 6

The three directors, J S M Rowe, A J Groom and M A Knight, who in accordance with the Articles of Association retire at the forthcoming Annual General Meeting; each being eligible, offer themselves for re-election and following satisfactory performance reviews, the Nomination Committee supports their re-election as directors.

JOHN STEPHEN MARTIN ROWE

Born 1951, group chief executive officer

John Rowe joined the company in 1973. Prior to his original appointment as group chief executive officer in May 1993, he was chief executive officer of Charles Taylor's London Management division, responsible for the management of the group's UK-based client mutuals, and between 1986 and 1990 was responsible for new business development outside the US. Between 1993 and 2007 he was chairman of the group. He was also group chief executive officer from 1993 to 2003, and was then reappointed as group chief executive officer in 2005. He was appointed to the board on 16 September 1996.

ALISTAIR JOHN GROOM

Born 1953, executive director

Alistair Groom joined the company in 1977 and has held a variety of positions within the group's shipowners' protection and indemnity mutuals prior to being appointed chief executive of the management division in 2001. He served as a deputy chairman of the group between 2003 and 2007 and as chairman of the International Group of P&I Clubs. He was appointed to the board on 16 September 1996.

MICHAEL ANTHONY KNIGHT

Born 1953, non-executive director and chairman of the Audit Committee

Michael Knight was an advisory partner in Ernst & Young until June 2001, servicing primarily major plcs and multinationals. He is also non-executive chairman of Sutton Harbour Holdings plc and a trustee of National Maritime Museum Cornwall. He was appointed to the board on 16 March 2000. Michael is a member of the Audit Committee, Remuneration Committee and Nomination Committee.

The Combined Code requires that, when non-executive directors are proposed for re-election, confirmation is given that, following formal evaluation, their performance continues to be effective and demonstrates commitment to the role of non-executive director. The chairman is very pleased to give this confirmation in relation to Michael Knight who is seeking re-election.

Resolution 7

Deloitte LLP have expressed their willingness to continue to act as auditors of the company and the resolution proposes the re-appointment of that firm as the company's auditors and to authorise the directors to determine the auditors' remuneration.

Resolutions 8 and 9

Adoption of new Articles of Association.

It is proposed that the company adopt new Articles of Association (the "New Articles") with effect from the passing of this resolution, to update the company's current Articles of Association (the "Current Articles") primarily to reflect the implementation of the Companies (Shareholders' Rights) Regulations 2009 (the "Shareholders' Rights Regulations") in August 2009 and the implementation of the remaining provisions of the Companies Act 2006 and the amendments to the Uncertified Securities Regulations 2001 in October 2009.

The principal changes introduced in the New Articles are set out below. Other changes, which are of a minor, technical or clarifying nature and also some more minor changes which merely reflect changes made by the Shareholders' Rights Regulations, the Companies Act 2006 and the Uncertified Securities Regulations or conform the language of the New Articles with that used in the model articles for public companies produced by the Department for Business, Innovation and Skills, have not been noted. A copy of the New Articles and a copy of the Current Articles marked to show changes being proposed by this resolution are available for inspection as noted on page 3 of this document.

1. The company's objects

The provisions regulating the operations of the company are currently set out in the company's memorandum and Articles of Association. The company's memorandum contains, among other things, the objects clause which sets out the scope of the activities the company is authorised to undertake. This is drafted to give a wide scope.

The Companies Act 2006 significantly reduces the constitutional significance of a company's memorandum. The Companies Act 2006 provides that a memorandum will record only the names of subscribers and the number of shares each subscriber has agreed to take in the company. Under the Companies Act 2006 the objects clause and all other provisions which are contained in a company's memorandum, for existing companies at 1 October 2009, are deemed to be contained in the company's Articles of Association but the company can remove these provisions by special resolution.

Further, the Companies Act 2006 states that unless a company's articles provide otherwise, a company's objects are unrestricted. This abolishes the need for companies to have objects clauses. For this reason the company is proposing to remove its objects clause together with all other provisions of its memorandum which, by virtue of the Companies Act 2006, are treated as forming part of the company's Articles of Association as of 1 October 2009. Resolution 8 confirms the removal of these provisions for the company. As the effect of this resolution will be to remove the statement currently in the company's memorandum of association regarding limited liability, the New Articles also contain an express statement regarding the limited liability of shareholders.

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2. Articles which duplicate statutory provisions

Provisions in the Current Articles which replicate provisions contained in the Companies Act 2006 are in the main amended to bring them into line with the Companies Act 2006.

3. Change of name

Under the Companies Act 1985, a company could only change its name by special resolution. Under the Companies Act 2006, a company will be able to change its name by other means provided for by its articles. To take advantage of this provision, the New Articles enable the directors to pass a resolution to change the company's name.

4. Authorised share capital and unissued shares

The Companies Act 2006 abolishes the requirement for a company to have an authorised share capital and the New Articles reflect this. Directors will still be limited as to the number of shares they can at any time allot because allotment authority continues to be required under the Companies Act 2006, save in respect of employee share schemes.

Under the Companies Act 1985, a company required specific enabling provisions in its articles to purchase its own shares, to consolidate or sub-divide its shares and to reduce its share capital or other undistributable reserves as well as shareholder authority to undertake the relevant action. The Current Articles include these enabling provisions. Under the Companies Act 2006, a company will only require shareholder authority to do any of these things and it will no longer be necessary for articles to contain enabling provisions. Accordingly, the relevant enabling provisions have been removed in the New Articles.

5. Provision for employees on cessation of business

The Companies Act 2006 provides that the powers of the directors of a company to make provision for a person employed or formerly employed by the company or any of its subsidiaries in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary, may only be exercised by the directors if they are so authorised by the company's articles or by the company in general meeting. The New Articles provide that the directors may exercise this power.

6. Use of seals

Under the Companies Act 1985, a company required authority in its articles to have an official seal for use abroad. Under the Companies Act 2006, such authority will no longer be required. Accordingly, the relevant authorisation has been removed in the New Articles.

The New Articles provide an alternative option for execution of documents (other than share certificates). Under the New Articles, when the seal is affixed to a document it may be signed by one authorised person in the presence of a witness, whereas previously the requirement was for signature by either a director and the secretary or two directors or such other person or persons as the directors may approve.

7. Vacation of office by directors

The Current Articles specify the circumstances in which a director must vacate office. The New Articles update these provisions to reflect the approach taken on mental and physical incapacity in the model articles for public companies produced by the Department for Business, Innovation and Skills.

8. Voting by proxies on a show of hands

The Shareholders' Rights Regulations have amended the Companies Act 2006 so that it now provides that each proxy appointed by a member has one vote on a show of hands unless the proxy is appointed by more than one member in which case the proxy has one vote for and one vote against if the proxy has been instructed by one or more members to vote for the resolution and by one or more members to vote against the resolution. The New Articles amend the provisions of the Current Articles to be consistent with the new requirements.

9. Chairman's casting vote

The New Articles remove the provision giving the chairman a casting vote in the event of an equality of votes at a general meeting as this is no longer permitted under the Companies Act 2006.

10. Notice of general meetings

The Shareholders' Rights Regulations amend the Companies Act 2006 to require the company to give 21 clear days' notice of general meetings unless the company offers members an electronic voting facility and a special resolution reducing the period of notice to not less than 14 days has been passed. Annual general meetings must be held on 21 clear days' notice. The New Articles amend the provisions of the Current Articles to be consistent with the new requirements.

11. Adjournments for lack of quorum

Under the Companies Act 2006 as amended by the Shareholders' Rights Regulations, general meetings adjourned for lack of quorum must be held at least 10 clear days after the original meeting. The New Articles amend the provisions of the Current Articles to be consistent with the new requirements.

12. Voting record date

Under the Companies Act 2006 as amended by the Shareholders' Rights Regulations the company must determine the right of members to vote at a general meeting by reference to the register not more than 48 hours before the time for the holding of the meeting, not taking account of days which are not working days. The New Articles amend the provisions of the Current Articles to be consistent with the new requirements.

13. General

Generally, the opportunity has been taken to bring clearer language into the New Articles and to make minor or technical changes and in some areas to conform the language of the New Articles with that used in the model articles for public companies produced by the Department for Business, Innovation and Skills.

Resolution 10

The definition of political donations used in the Companies Act 2006 is very broad. The company's policy is that it does not, directly or through any other subsidiary, make what are commonly regarded as donations to any political party. The Companies Act 2006 Section 366 requires companies to obtain shareholder authority before they can make donations to EU political organisations (which include UK political parties). The authority we are requesting from shareholders is not designed to change that policy. It will, however, ensure that the company acts within the provisions and definitions of the current UK law, when carrying out the above activities should a subsidiary company inadvertently make a donation which could be considered to be made to a political organisation.

Resolution 11

In certain circumstances it may be advantageous for the company to purchase its own shares and Resolution 11 seeks the authority from shareholders to continue to do so. Authority was given to the company to make market purchases up to an aggregate of 4,007,022 of its ordinary shares at the Annual General Meeting held on 8 May 2009 (being equal to approximately 10 per cent of the company's issued ordinary share capital as at 29 March 2009, the latest practicable date prior to the publication of the notice for the Annual General Meeting held on 8 May 2009). This authority is due to expire at the end of the Annual General Meeting and it is proposed that the company be authorised to continue to make market purchases up to an aggregate of approximately 10 per cent of the company's issued ordinary share capital as further described below. The directors will continue to exercise this power only when, in the light of market conditions prevailing at the time, they believe that the effect of such purchases will be to increase earnings per share and will be likely to promote the success of the company for the benefit of its members as a whole. Other investment opportunities, appropriate gearing levels and the overall position of the company will be taken into account when exercising this authority. Save to the extent purchased pursuant to the Companies Act 2006, any shares purchased in this way will be cancelled and the number of shares in issue will be reduced accordingly. The company may hold in treasury any of its own shares that it purchases pursuant to the Companies Act 2006 and the authority conferred by this resolution. This gives the company the ability to reissue treasury shares quickly and cost-effectively and provides the company with greater flexibility in the management of its capital base. It also gives the company the opportunity to satisfy employee share scheme awards with treasury shares.

The proposed authority would be limited to purchases of up to 4,007,022 ordinary shares which is equal to approximately 10 per cent of the company's issued ordinary share capital as at 22 March 2010 (being the latest practicable date prior to publication of this notice). The resolution specifies the maximum and minimum prices at which the company's shares may be bought.

For information, as at 22 March 2010 (being the latest practicable date prior to publication of this notice) there were outstanding 1,977,077 awards and options to subscribe for ordinary shares, representing 4.93 per cent of the company's issued ordinary share capital (excluding treasury shares).

The Resolution will be proposed as a special resolution to provide the company with the necessary authority. If given, this authority will expire at the conclusion of the next Annual General Meeting of the company in 2011 or, if earlier 15 months from the passing of this resolution.

The directors intend to seek renewal of this power at subsequent Annual General Meetings.

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Resolutions 12 and 13

Subject to the passing of Resolution 9 – Articles of Association (Adoption of New Articles) and the abolishment of the requirement for a company to have an authorised share capital. The directors propose Resolutions 12 and 13 based on no authorised share capital.

Directors' authority to allot securities (Resolution 12)

The company's directors may only allot ordinary shares or grant rights over ordinary shares if authorised to do so by shareholders. The authority granted at the last Annual General Meeting under Section 80 of the Companies Act 1985 to allot relevant securities is due to expire at the conclusion of this year's Annual General Meeting. Accordingly, this resolution seeks to grant a new authority under Section 551 of the Companies Act 2006 (which has superseded Section 80 of the Companies Act 1985) to authorise the directors to allot shares (including treasury shares) in the company or grant rights to subscribe for, or convert any security into, shares in the company and will expire at the conclusion of the next Annual General Meeting of the company in 2011 or, if earlier 15 months from the date of this resolution.

If passed, paragraph (a) and (b) of Resolution 12 would give the directors authority to allot shares or grant rights to subscribe for, or convert any security into, shares in the company up to an aggregate nominal value of £133,566 representing approximately one third (33.33%) of the company's existing issued share capital (excluding shares held in treasury) and calculated as at 22 March 2010 (being the latest practicable date prior to publication of this notice). In accordance with the latest institutional guidelines issued by the Association of British Insurers ("ABI"), paragraph (c) of Resolution 12, if passed, would give the directors authority to allot, including the shares referred to in paragraph (b) of Resolution 12, further of the company's shares in connection with a pre-emptive offer by way of a rights issue to shareholders up to a maximum nominal amount of £267,148, representing approximately two thirds (66.67%) of the company's existing issued share capital (excluding shares held in treasury) and calculated as at 22 March 2010 (being the latest practicable date prior to publication of this notice).

There is no present intention of exercising this authority. However, it is considered prudent to maintain the flexibility that this authority provides. If they do exercise the authority, the directors intend to follow emerging best practice as regards its use (including as regards the directors standing for re-election in certain cases), as recommended by the ABI. As at 22 March 2010, the company held nil ordinary shares in treasury. The company's directors intend to renew this authority annually.

Disapplication of pre-emption rights (Resolution 13)

Under Section 561(1) of the Companies Act 2006, if the directors wish to allot any of the unissued shares or grant rights over shares or sell treasury shares for cash (other than pursuant to an employee share scheme) they must in the first instance offer them to existing shareholders in proportion to their holdings. There may be occasions, however, when the directors will need the flexibility to finance business opportunities by the issue of shares without a pre-emptive offer to existing shareholders. This cannot be done under the Companies Act 2006 unless the shareholders have first waived their pre-emption rights. Resolution 13 asks the shareholders to do this and, apart from rights issues or any other pre-emptive offer concerning equity securities, the authority will be limited to the issue of shares for cash up to a maximum aggregate nominal value of £20,035 (which includes the sale on a non pre-emptive basis of any shares held in treasury), which is equivalent to approximately 5 per cent of the company's issued ordinary share capital as at 22 March 2010 (being the latest practicable date prior to publication of this notice). The company undertakes to restrict its use of this authority to a maximum of 7.5 per cent of the company's issued ordinary share capital in any three year period. Shareholders will note that this resolution also relates to treasury shares and will be proposed as a special resolution.

This resolution seeks a disapplication of the pre-emption rights on a rights issue so as to allow the directors to make exclusions or such other arrangements as may be appropriate to resolve legal or practical problems which, for example, might arise with overseas shareholders. If given, the authority will expire at the conclusion of the next Annual General Meeting of the company in 2011 or, if earlier 15 months from the date of this resolution. The company's directors intend to renew this authority annually.

Resolution 14

This resolution is required to reflect the changes made to the Companies Act 2006 by the Shareholders' Rights Regulations which increased the notice period for general meetings of a company to 21 days unless shareholders approve a shorter period, which cannot however be less than 14 clear days. Prior to the implementation of the Shareholders' Rights Regulations the company was able to call general meetings (other than an annual general meeting) on 14 clear days' notice and would like to restore this ability. In order to be able to do so the company's shareholders must approve the calling of such meetings on 14 clear days' notice. Resolution 14 seeks such approval. The company undertakes to meet the requirements for electronic voting under the Shareholders' Rights Regulations before calling a general meeting on 14 clear days' notice. If given, the approval will be effective until the company's next annual general meeting, when it is intended that a similar resolution will be proposed.