

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action that you should take, you are recommended to seek your own financial advice from your stockbroker, solicitor, accountant or other professional adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred your entire holding of ordinary shares in Amlin plc, please send this document to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale was effected, for transmission to the purchaser or transferee.



2006 ANNUAL GENERAL MEETING BUSINESS

**including proposed new incentive plans and proposed amendments to
the Memorandum and Articles of Association**

Your attention is drawn to the letter from the Chairman of Amlin plc set out on pages 5 to 9 of this document recommending that you vote in favour of the Resolutions to be proposed at the Annual General Meeting.

Notice of the Annual General Meeting of Amlin plc, to be held at noon on Thursday 25 May 2006 at the offices of the Company at St Helen's, 1 Undershaft, London EC3A 8ND, is set out in this document. Shareholders will find enclosed a Form of Proxy for use at the Annual General Meeting. Whether or not you intend to be present at this meeting, please complete and return this Form of Proxy to Amlin plc's registrar, Computershare Investor Services PLC, PO Box 1075, The Pavilions, Bridgwater Road, Bristol BS99 3FA, or electronically following the instructions on the reverse of the form, so as to be received as soon as possible. To be valid it must be received no later than noon on Tuesday 23 May 2006. Arrangements have also been made for CREST members to appoint a proxy or proxies through the CREST electronic appointment service. Further details regarding CREST are included in note 4 on page 16 of this document.

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DEFINITIONS AND INTERPRETATIONS

The following definitions apply in this document and in the accompanying Form of Proxy unless the context otherwise requires:

“Amlin” or the “Company”	Amlin plc
“Amlin Shareholders” or “Shareholders”	the holders of ordinary shares in Amlin
“Annual General Meeting” or “AGM”	the Annual General Meeting of Amlin convened for noon on Thursday 25 May 2006, notice of which is set out in this document
“Articles”	the Articles of Association of the Company
“Form of Proxy”	the form of proxy accompanying this document for use at the Annual General Meeting
“Group” or “Amlin Group”	Amlin and its subsidiary undertakings
“New Incentive Plan(s)”	the Company’s proposed new Share Incentive Plan 2006, Long Term Incentive Plan 2006 and Capital Builder Long Term Incentive Plan 2006, details of all of which are set out in Appendix 2 to this document
“ordinary shares”	ordinary shares of 25p each in the share capital of Amlin
“Resolution(s)”	the resolution(s) contained in the notice of Annual General Meeting set out in this document



To the holders of ordinary shares

29 March 2006

Dear Shareholder

You will find set out immediately following this letter a notice convening the Annual General Meeting of the Company to be held at noon on Thursday 25 May 2006 at the offices of the Company at St Helen's, 1 Undershaft, London EC3A 8ND.

During 2005 the Remuneration Committee conducted a review of the Company's executive remuneration arrangements with the assistance of external advice. Following this review, and a consultation process with the Association of British Insurers, RREV (Research, Recommendations and Electronic Voting) and certain of the Company's major shareholders, the Board, on the recommendation of the Remuneration Committee, has decided that it wishes to change aspects of the Company's long-term incentive provisions and is seeking shareholders' approval at the AGM for the adoption of three incentive plans, as detailed later in this letter and in Appendix 2.

Amendments are also proposed to the Company's Memorandum and Articles of Association to reflect the changes to the Companies Act 1985 regarding the offering of indemnities to directors, which came into effect in 2005. It is also proposed to streamline the provisions regarding directors' terms of office and to update the aggregate limit on directors' fees.

On 15 March 2006, after the completion of the 2005 Annual Report, which is being posted to shareholders with this letter, the Board appointed an additional independent non-executive director, Sir Mark Wrightson. He joins Mr Richard Davey, who was appointed to the Board as an independent non-executive director in December 2005, in being proposed for election by shareholders at the AGM. The Board believes that both of them are valuable additions to the Board, and commends them to you. In addition, Mr Buchanan (a non-executive director) and Messrs Carpenter, Hextall, Holt and Philipps (all executive directors) are proposed for re-election in accordance with the Company's Articles of Association. The biographical details of all the directors seeking election or re-election are set out in Appendix 1 to this circular.

I can confirm that, following performance evaluation, all of the directors proposed for re-election have been recommended for re-election by the Nomination Committee and continue to make a valuable contribution to the Board.

Lord Stewartby, our Deputy Chairman who was re-elected at the 2005 AGM for one year (having already served for more than nine years), has also continued to make a valuable contribution but has decided to retire from the Board at the AGM.

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The AGM business also includes an ordinary resolution to approve the Directors' Remuneration Report for the year ended 31 December 2005, which is contained in the Annual Report starting on page 54. In accordance with the Directors' Remuneration Report Regulations 2002, the vote on this resolution is advisory and no director's remuneration is conditional on the passing of this resolution.

The rest of this letter explains the background to, and reasons for, the special business to be proposed at the AGM.

Approval of introduction of the Amlin Share Incentive Plan 2006 (the "SIP") (Resolution 11)

The Company is proposing to establish a new HM Revenue & Customs approved all-employee share plan. A summary of the principal terms of the proposed SIP is set out in Appendix 2 to this circular. The Remuneration Committee considers that the SIP, which will be available for all staff subject to certain eligibility criteria, offers a tax efficient means of encouraging share ownership amongst staff. It is intended that the SIP will be operated from the earlier part of 2007.

Approval of introduction of the Amlin Long Term Incentive Plan 2006 (the "new LTIP") (Resolution 12)

The proposed new LTIP will replace future grants of options under the existing Amlin Executive Share Option Schemes (the "Schemes") following the announcement of Amlin's 2006 results in March 2007. However, in exceptional circumstances the Remuneration Committee may decide to make a one-off award of options under the Schemes upon the recruitment of a senior executive before the Schemes expire in May 2007.

The Remuneration Committee believes that the proposed new LTIP will improve the link between reward, performance and the creation of shareholder value and provide for more competitive awards to senior underwriters and non-underwriters. Furthermore, the new LTIP will create greater efficiency from a cost and share usage perspective.

Individuals will not normally be granted awards over shares that are worth in aggregate more than 100% of base salary in any financial year. In exceptional circumstances, for example on the recruitment of a senior executive, awards may be granted over shares worth up to 200% of base salary in one financial year only.

Participants in the new LTIP will continue to be eligible to be considered for the grant of awards under the Amlin Performance Share Plan 2004 (non-underwriters only) or the proposed new Capital Builder Plan 2006 (underwriters only).

Awards will vest subject to the achievement of total shareholder return ("TSR") performance conditions. These conditions will measure the TSR of the Company against an unweighted index of TSRs for a comparator group of listed Lloyd's insurers over a fixed three year period.

25% of an award will vest if, at the end of the three year performance period, the Company's TSR is equal to the comparator group index. 100% will vest if the Company's TSR exceeds the comparator group index by 25% or more, with intermediate levels of vesting applying where the Company's TSR exceeds the index by up to 25%.

Irrespective of the Company's TSR performance, no award will vest unless the Remuneration Committee is satisfied that the Company's financial performance over the three year performance period has been satisfactory.

As part of the arrangements on the introduction of the new LTIP, share ownership guidelines are being introduced whereby executive directors of the Company are expected to acquire and hold shares (including existing holdings) worth in aggregate a minimum of 125% of base salary and other members of the most senior level of executive management are expected to acquire

and hold shares (including existing holdings) worth in aggregate a minimum of 50% of base salary, in each case by June 2010.

Further details regarding the new LTIP are set out in Appendix 2 to this document.

Approval of introduction of the Amlin Capital Builder Long Term Incentive Plan 2006 (the "Capital Builder Plan 2006") (Resolution 13)

The Capital Builder Plan 2006 will replace the Capital Builder Plan 2001, which has, in the opinion of the Remuneration Committee and the Board, proved a successful component of the Company's overall policy of attracting, retaining and rewarding the long term commitment of key underwriters, by giving them the opportunity to build personal capital over a five year period. This has aligned the interests of shareholders and underwriters by increasing the focus on the achievement of medium and long term value creation.

The Capital Builder Plan 2006 will only operate for selected senior underwriters (initially up to around 50). The Chief Executive and Finance Director will not therefore be participating but executive directors who are underwriters will be eligible to do so.

It is intended that the Capital Builder Plan 2006 will be operated annually, with commensurately lower levels of potential reward for each award than the Capital Builder Plan 2001, which has operated only over a single five year period.

The Capital Builder Plan 2006 will only reward participants if they earn excellent returns on the underwriting for which they are responsible over the five year performance period taken as a whole.

A key element of the design of the plan is the target claims ratio (i.e. the target level of claims, net of reinsurance recoveries, as a percentage of premiums) that must be achieved before any payment can be earned by an underwriter. The Committee has carefully considered this and has decided that it will initially use the Company's Dynamic Financial Analysis tool, which it has built over the last four years, to help set the appropriate hurdle claims ratios and excess profit share percentages (i.e. the percentages, applying to each class of business, which are to be paid under the plan of any excess in profit earned as a result of the actual claims ratio of such class being better than its target claims ratio. Where the actual claims ratio is higher than the target claims ratio, no payment under the Capital Builder Plan 2006 will be made.)

The highest percentage share of excess profit which will be capable of being paid to underwriters of a particular class of business will be 10%, although in practice it is expected to be lower than this for most classes of business. For example, catastrophe reinsurance will have a lower percentage than fleet motor as it is a more volatile class of business.

It will be the Remuneration Committee's aim, in setting the hurdle ratios, to incentivise underwriters to contribute to the Company's objective of achieving an overall return on equity of at least 15% per annum over the full insurance cycle.

There will be a cap on the total amount that may be paid to a participant in respect of each rolling five year performance period of £1 million.

Payments under the Capital Builder Plan 2006 will ordinarily be in cash, although the Company reserves the right to settle awards in shares.

Further details regarding the Capital Builder Plan 2006 are set out in Appendix 2 to this document.

Re-appointment of Auditors (Resolution 14)

The directors, on the recommendation of the Audit Committee, recommend the re-election of Deloitte & Touche LLP as auditors, to hold office until the next general meeting of the Company at which accounts are laid.

Increase in the authorised share capital of the Company (Resolution 15)

Further to the issue of 127,805,073 new ordinary shares by the Company on 28 November 2005 in connection with the Company's recent rights issue, and to other issues of shares since the authorised share capital was last increased in 2002, in order to reinstate a suitable margin between the present issued share capital of 531,958,352 ordinary shares (and the 12,765,047 shares reserved for issue on the exercise of share options) and the present authorised share capital of 562,000,000 ordinary shares (£140,500,000 nominal), a resolution is being proposed to increase the authorised share capital by 238,000,000 ordinary shares to 800,000,000 ordinary shares (£200,000,000 nominal), representing approximately 45% of the Company's existing authorised share capital.

Renewal of authorities to allot equity securities (Resolutions 16 and 17)

An ordinary resolution (Resolution 16) is to be proposed to renew the directors' authority to allot up to 177,319,448 ordinary shares, having an aggregate nominal value of £44,329,862 representing just under one third of the issued share capital as at the date of this letter. Additionally, a special resolution (Resolution 17) is to be proposed to renew the directors' authority to allot ordinary shares for cash without first offering them pro rata to existing Shareholders. This authority also covers, within the aggregate limit, the sale of treasury shares for cash. If approved, this authority will be limited to 26,597,916 ordinary shares, having an aggregate nominal value of £6,649,479 which represents just under 5% of the Company's issued share capital as at the date of this letter.

Apart from issues of ordinary shares pursuant to the terms of the Company's employee share schemes, the directors have no present intention of utilising these authorities. Renewal of these limited authorities will, however, enable the directors to respond in the interests of the Company to any appropriate opportunities which may arise. These authorities would expire on the date of the Annual General Meeting to be held in 2007 or, if earlier, on 24 August 2007.

Renewal of authority for the Company to purchase its own shares (Resolution 18)

A special resolution (Resolution 18) is to be proposed to renew the Company's general authority to purchase its own shares in the market.

A similar authority previously in force was utilised to purchase ordinary shares in 2000. Although the annually renewed authority has not since been utilised, the directors consider that a renewal of the existing authority is desirable to maintain flexibility in the management of the Company's capital resources. In reaching any decisions to make purchases of the Company's own shares the directors will continue to take into account other available investment opportunities, the Company's and the Group's cash resources, the Group's capital requirements, including for supporting underwriting, and the effects on the Company's distributable reserves and on its earnings and net assets per share. The authority will only be exercised if it is expected to be in the best interests of Shareholders generally.

It is proposed that the renewed authority will be limited to 53,195,835 ordinary shares (being just under 10% of the issued share capital of the Company as at the date of this letter). Any purchases made pursuant to the renewed authority would be in addition to any purchases of ordinary shares occurring between the date of this letter and the AGM, which would be made pursuant to the authority granted at the annual general meeting held in 2005. The maximum price that may be paid for ordinary shares under the authority shall not exceed the higher of (i) 105% of the average of the middle market quotations of the Company's ordinary shares, as derived from the London Stock Exchange Daily Official List, for the five business days prior to any purchase; and (ii) the highest current independent bid for the Company's ordinary shares

on the London Stock Exchange at the time of the purchase. It is expected that renewal of the authority will continue to be sought as a routine matter at annual general meetings in future years.

As at 28 March 2006 there were options outstanding to subscribe for 12,765,047 new ordinary shares in the Company. This represents approximately 2.40% of the issued ordinary capital of the Company as at that date and would represent approximately 2.67% if the authority to buy back shares under this resolution were used in full.

The Company may consider holding any of its own shares that it purchases under the proposed buy back authority as treasury shares as an alternative to cancelling them. This would give the Company the ability to re-issue such treasury shares quickly and cost effectively, and would provide the Company with desirable additional flexibility in the management of its capital base. No dividends will be paid on shares whilst held in treasury and no voting rights will be exercisable in respect of such shares.

Amendments to Memorandum and Articles of Association (Resolutions 19 to 21)

Details of the proposed changes to the Memorandum and Articles of Association of the Company are set out in Appendix 3 to this letter and in the relevant special resolutions (Resolutions 19, 20 and 21).

Action to be taken

Enclosed with this document is a Form of Proxy for use in connection with all the Resolutions to be proposed at the AGM. Whether or not you are able to attend the meeting, the directors request that you either (i) complete and return the enclosed Form of Proxy to Amlin's registrar, Computershare Investor Services PLC, PO Box 1075, The Pavilions, Bridgwater Road, Bristol BS99 3FA, or (ii) submit votes electronically following the instructions on the reverse of the form or (iii) if you are a CREST member, lodge the CREST Proxy Instruction, using the CREST Proxy Voting Service, in all cases so as to arrive not later than noon on 23 May 2006.

The completion and return of a Form of Proxy (electronically or otherwise) will not preclude you from attending the AGM and voting in person.

Recommendations

The directors believe that all the Resolutions contained in the Notice of Annual General Meeting are in the best interests of the Company and its Shareholders as a whole. Accordingly, the directors unanimously recommend Shareholders to vote in favour of all the Resolutions.

The directors intend to vote (or, as the case may be, procure the voting of) their beneficial holdings in favour of all the Resolutions to be proposed at the AGM which, in aggregate and excluding interests in the Group's Employee Share Ownership Trust, amount to 3,128,214 ordinary shares, representing approximately 0.59% of the Company's issued share capital.

Yours sincerely

R J Taylor
Chairman

AMLIN PLC

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the thirteenth Annual General Meeting of Amlin plc will be held at the offices of the Company at St Helen's, 1 Undershaft, London EC3A 8ND on Thursday 25 May 2006 at noon for the following purposes:

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

ORDINARY RESOLUTIONS

1. To receive and adopt the accounts for the year ended 31 December 2005 and the reports of the directors and auditors thereon.
2. To approve the Directors' Remuneration Report contained in the Company's Annual Report for the year ended 31 December 2005.
3. To declare a final dividend of 6.2p per ordinary share in respect of the year ended 31 December 2005, such dividend to be paid on 31 May 2006 to holders of ordinary shares on the register on 31 March 2006 in respect of each ordinary share other than those ordinary shares issued on 28 November 2005 in respect of the Company's rights issue announced on 1 November 2005.
4. To elect Mr R H Davey, who retires at the first Annual General Meeting following his appointment to the Board and, being eligible, offers himself for election, as a director.
5. To elect Sir Mark Wrightson, Bt., who retires at the first Annual General Meeting following his appointment to the Board and, being eligible, offers himself for election, as a director.
6. To re-elect Mr N J C Buchanan, who retires in accordance with the Articles of Association and, being eligible, offers himself for re-election, as a director.
7. To re-elect Mr B D Carpenter, who retires in accordance with the Articles of Association and, being eligible, offers himself for re-election, as a director.
8. To re-elect Mr R A Hextall, who retires in accordance with the Articles of Association and, being eligible, offers himself for re-election, as a director.
9. To re-elect Mr A W Holt, who retires in accordance with the Articles of Association and, being eligible, offers himself for re-election, as a director.
10. To re-elect Mr C E L Philipps, who retires in accordance with the Articles of Association and, being eligible, offers himself for re-election, as a director.
11. That the rules of the the Amlin Share Incentive Plan 2006 (the "SIP"), the principal terms of which are summarised in Appendix 2 to the circular dated 29 March 2006 containing this Notice of Annual General Meeting and a copy of the rules of which is produced to the meeting and initialled by the Chairman for the purposes of identification, be and the same is hereby approved and the directors be authorised to: (i) make such modifications to the SIP as they may consider necessary to take account of the requirements of HM Revenue & Customs, the Financial Services Authority in its capacity as the UK Listing Authority and best practice, and to adopt the SIP as so modified and do all acts and things necessary to operate the SIP; and (ii) establish further plans based on the SIP but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such further plans are treated as counting against the limits on individual or overall participation in the SIP.

12. That the rules of the the Amlin Long Term Incentive Plan 2006 (the “2006 LTIP”), the principal terms of which are summarised in Appendix 2 to the circular dated 29 March 2006 containing this Notice of Annual General Meeting and a copy of the rules of which is produced to the meeting and initialled by the Chairman for the purposes of identification, be and the same is hereby approved and the directors be authorised to: (i) make such modifications to the 2006 LTIP as they may consider necessary to take account of the requirements of the Financial Services Authority in its capacity as the UK Listing Authority and best practice, and to adopt the 2006 LTIP as so modified and do all acts and things necessary to operate the 2006 LTIP; and (ii) establish further plans based on the 2006 LTIP but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such further plans are treated as counting against the limits on individual or overall participation in the 2006 LTIP.
13. That the rules of the the Amlin Capital Builder Long Term Incentive Plan 2006 (the “Capital Builder Plan 2006”), the principal terms of which are summarised in Appendix 2 to the circular dated 29 March 2006 containing this Notice of Annual General Meeting and a copy of the rules of which is produced to the meeting and initialled by the Chairman for the purposes of identification, be and the same is hereby approved and the directors be authorised to: (i) make such modifications to the Capital Builder Plan 2006 as they may consider necessary to take account of the requirements of the Financial Services Authority in its capacity as the UK Listing Authority and best practice, and to adopt the Capital Builder Plan 2006 as so modified and do all acts and things necessary to operate the Capital Builder Plan 2006; and (ii) establish further plans based on the Capital Builder Plan 2006 but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such further plans are treated as counting against the limits on individual or overall participation in the Capital Builder Plan 2006.
14. To re-appoint Deloitte & Touche LLP, who offer themselves for re-appointment, as auditors to hold office until the conclusion of the next general meeting at which accounts are laid before the Company, and to authorise the Audit Committee to determine their remuneration.
15. That the authorised share capital of the Company be increased from £140,500,000 to £200,000,000 by the creation of an additional 238,000,000 ordinary shares of 25p each having the rights as set out in the Articles of Association of the Company.
16. That:
 - A. the directors be generally and unconditionally authorised pursuant to and in accordance with Section 80 of the Companies Act 1985 to exercise all the powers of the Company to allot relevant securities up to an aggregate nominal amount of £44,329,862;
 - B. such authority shall expire on the date of the Annual General Meeting in 2007 or on 24 August 2007, whichever is the earlier, and shall be in substitution for all previous authorities pursuant to the said Section 80, which are hereby revoked, without prejudice to any allotment of securities pursuant thereto;
 - C. by such authority the directors may make offers or agreements which would or might require relevant securities to be allotted after the expiry of such period; and
 - D. for the purpose of this Resolution, words and expressions defined in or for the purposes of the said Section shall bear the same meanings herein.

SPECIAL RESOLUTIONS

17. That conditional on the passing of Resolution 16 above:
- A. the directors be empowered to allot equity securities wholly for cash:
 - i. in connection with a rights issue; and
 - ii. otherwise than in connection with a rights issue, up to an aggregate nominal amount of £6,649,479;
as if Section 89(1) of the Companies Act 1985 (the "Act") did not apply to any such allotment;
 - B. such power shall expire on the date of the Annual General Meeting in 2007 or on 24 August 2007, whichever is the earlier, and shall be in substitution for all previous disapplications of Section 89 of the Act, which shall cease to have effect, without prejudice to any allotment of securities pursuant thereto;
 - C. by such power the directors may make offers or agreements which would or might require equity securities to be allotted after the expiry of such period;
 - D. for the purposes of this Resolution:
 - i. **"rights issue"** means an offer of equity securities open for acceptance for a period fixed by the directors to holders (other than the Company) on the register on a record date fixed by the directors of ordinary shares in proportion to their respective holdings (for which purpose holdings in certificated and uncertificated form may be treated as separate holdings) but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory;
 - ii. references (except in paragraph E below) to an allotment of equity securities shall include a sale of treasury shares;
 - iii. the nominal amount of any securities shall be taken to be, in the case of rights to subscribe for or convert any securities into shares of the Company, the nominal amount of such shares which may be allotted pursuant to such rights; and
 - iv. words and expressions defined in or for the purposes of Part IV of the Act shall bear the same meanings herein; and
 - E. the power in paragraph A above, insofar as it relates to the allotment of equity securities rather than the sale of treasury shares, is granted pursuant to the resolution conferring authority under Section 80 of the Act passed on the date hereof.
18. That the Company be and is hereby unconditionally and generally authorised for the purpose of Section 166 of the Companies Act 1985 (the "Act") to make market purchases (as defined in Section 163 of the Act) of ordinary shares of 25p each in the capital of the Company ("Ordinary Shares") provided that:
- A. the maximum aggregate number of Ordinary Shares which may be purchased is 53,195,835;
 - B. the minimum price which may be paid for each Ordinary Share is its nominal value of 25p;
 - C. the maximum price which may be paid for any Ordinary Share is the higher of (i) an amount equal to 105% of the average of the middle market quotations of the Company's Ordinary Shares as derived from the London Stock Exchange Daily Official List for the 5 business days immediately preceding the day on

which such share is contracted to be purchased; and (ii) the higher of the price of the last independent trade and the highest current bid as stipulated by Article 5(1) of the Commission Regulation (EC) 22 December 2003 implementing the Market Abuse Directive as regards exemptions for buy-back programmes and stabilisation of financial instruments (No 2273/2003); and

- D. this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2007 or on 24 August 2007, whichever is the earlier, unless such authority is renewed prior to that time (except in relation to the purchase of Ordinary Shares the contract for which was concluded before the expiry of such authority and which might be executed wholly or partly after such expiry).
19. That:
- I. the Memorandum of Association of the Company be amended by:
- A. the deletion of the word "and" immediately prior to sub paragraph (ii) of object 4.19 and the substitution therefore of ";"; and
- B. the insertion of the following clause into the third last line of object 4.19 after the words "any such liability;":
- “and (iii) to provide a Director with funds to meet expenditure incurred or to be incurred by him in defending any criminal or civil proceedings or in connection with any application under those provisions of the Companies Act 1985 referred to in Section 337A(2) of that Act and (iv) to do anything to enable a Director to avoid incurring such expenditure;”; and
- II. the Articles of Association of the Company be amended by:
- A. deleting sub paragraph (B) (vi) of Article 93 and substituting therefor the following sub paragraph (B) (vi):
- “(vi) any proposal concerning (a) insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons who include Directors, or (b) indemnities in favour of Directors, or (c) the funding of expenditure by one or more Directors on defending proceedings against him or them, or (d) doing anything to enable such Director or Directors to avoid incurring such expenditure.”
- B. deleting the existing Article 140 and substituting therefor the following new Article 140:
- “(A) Subject to the provisions of, and so far as may be permitted by and consistent with, the Statutes, every Director, Secretary and other officer of the Company shall be indemnified by the Company out of its own funds against (a) any liability incurred by or attaching to him in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company other than (i) any liability to the Company or any associated company (as defined in Section 309A(6) of the Act) and (ii) any liability of the kind referred to in Section 309B(3) or (4) of the Act; and (b) any other liability incurred by or attaching to him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office. Where a Director, Secretary or other officer is indemnified against any liability in accordance with this paragraph, such indemnity may extend to all costs, charges, losses, expenses and liabilities incurred by him in relation thereto.

- (B) Without prejudice to paragraph (A) of this Article, the Directors shall have power to purchase and maintain insurance for or for the benefit of (i) any person who is or was at any time a Director, Secretary or other officer of any Relevant Company (as defined in paragraph (C) below), or (ii) any person who is or was at any time a trustee of any pension fund or employees' share scheme in which employees of any Relevant Company are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by or attaching to him in respect of any act or omission in the actual or purported execution and/or discharge of his duties and/or in the exercise or purported exercise of his powers and/or otherwise in relation to his duties, powers or offices in relation to any Relevant Company, or any such pension fund or employee share scheme (and all costs, charges, losses, expenses and liabilities incurred by him in relation thereto).
- (C) For the purpose of paragraph (B) above "Relevant Company" shall mean the Company, any holding company of the Company or any other body, whether or not incorporated, in which the Company or such holding company or any of the predecessors of the Company or of such holding company has or had any interest whether direct or indirect or which is in any way allied to or associated with the Company, or any subsidiary undertaking of the Company or of such other body.
- (D) Subject to the provisions of and so far as may be permitted by the Statutes, the Company may (i) provide a Director or officer with funds to meet expenditure incurred or to be incurred by him in defending any criminal or civil proceedings or in connection with any application under the provisions mentioned in Section 337A(2) of the Act and (ii) do anything to enable a Director or officer to avoid incurring such expenditure, but so that the terms set out in Section 337A(4) of the Act shall apply to any such provision of funds or other things done."

20. That the Articles of Association of the Company be amended by deleting the figure "£400,000" in Article 73 and substituting therefor the figure "£500,000".

21. That the Articles of Association of the Company be amended by:

- I. deleting the existing Articles 81 to 83 and substituting therefor:

"81 Retirement at Annual General Meetings

Each Director shall retire at the Annual General Meeting held in the third calendar year following the year in which he was elected or last re-elected by the Company.

82 Eligibility for re-election

A Director who retires at any Annual General Meeting shall be eligible for re-election unless the Directors otherwise determine.

83 Re-election of retiring Director

- (A) The Company at the meeting at which a Director retires under any provision of these Articles may by Ordinary Resolution fill the office being vacated by electing thereto the retiring Director (if eligible for re-election) or some other person eligible for election. In the absence of such a resolution the retiring

Director shall nevertheless be deemed to have been re-elected except in any of the following cases:

- (i) where at such meeting a resolution for the re-election of such Director is put to the meeting and lost, or it is expressly resolved not to fill the office being vacated;
 - (ii) where such Director is ineligible for re-election or has given notice in writing to the Company that he is unwilling to be re-elected; or
 - (iii) where a resolution to elect such Director is void by reason of contravention of the next following Article.
- (B) The retirement shall not have effect until the conclusion of the meeting except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his re-election is put to the meeting and lost and accordingly a retiring Director who is re-elected or deemed to have been re-elected will continue in office without a break.”; and
- II. deleting the words “, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting” at the end of Article 86 and the words “by rotation” in the third last line of Article 88.

By Order of the Board

C C T Pender FCIS FSI
Secretary
St Helen 's
1 Undershaft
London EC3A 8ND

29 March 2006

General notes regarding the Annual General Meeting

1. The following documents will be available for inspection during normal business hours at the Company's registered office from the date of this notice to the close of the AGM and at the AGM meeting room at such office from 15 minutes prior to its commencement until its conclusion:
 - (i) a copy of the register of interests of the directors of the Company;
 - (ii) copies of the new Memorandum and Articles of Association highlighting the differences between the proposed new Memorandum and Articles of Association as amended pursuant to Resolutions 19, 20 and 21 and the current Memorandum and Articles of Association; and
 - (iii) copies of the rules of the Amlin Share Incentive Plan 2006, the Amlin Long Term Incentive Plan 2006 and the Amlin Capital Builder Long Term Incentive Plan 2006.
2. Copies of executive directors' service contracts and of non-executive directors' letters of appointment are available for inspection at the Company's registered office during business hours on any weekday (Saturdays and public holidays excepted).
3. A Shareholder who is entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote on his or her behalf. Such a proxy need not also be a Shareholder of the Company. A Form of Proxy for use by Shareholders is enclosed with this Notice of Meeting. Completion of a Form of Proxy (or submission of proxy instructions electronically) will not prevent a Shareholder from attending the meeting and voting in person. To be valid, a Form of Proxy and any power or other authority under which it is executed (or a duly certified copy of any such power or authority) must be lodged with the Company's Registrar, Computershare Investor Services PLC, PO Box 1075, The Pavilions, Bridgwater Road, Bristol BS99 3FA, at least 48 hours before the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) at least 48 hours before the taking of the poll at which it is to be used.
4. Crest members who wish to appoint a proxy or proxies by using the CREST electronic proxy appointment service may do so by following the procedures laid down in the CREST Manual. The appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must be transmitted so as to be received by the issuer's agent (ID Number 3RA50) no later than noon on 23 May 2006. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. 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. CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. Please see sections of the CREST Manual concerning practical limitations of the CREST system and timings.
5. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the meeting, and the number of votes which may be cast at the meeting, will be determined by reference to the Company's register of members at 6pm on 23 May 2006 or, if the meeting is adjourned, 48 hours before the time fixed for the adjourned meeting (as the case may be).

APPENDIX I

BIOGRAPHICAL DETAILS OF DIRECTORS SEEKING ELECTION AND RE-ELECTION

(in order of the relevant Resolutions in the Notice of Annual General Meeting)

RICHARD DAVEY, INDEPENDENT NON-EXECUTIVE

Aged 57. Appointed a Director on 15 December 2005. Member of the Audit Committee. He is a non-executive director of Severn Trent Plc and of the Yorkshire Building Society, and a former non-executive director of Freeserve plc (until 2001) and of Scottish Widows Life Assurance Society (until its sale to Lloyds TSB in 2000). The majority of his executive career was spent in investment banking at N M Rothschild & Sons Limited, where he served in various roles, including Head of Investment Banking and Chairman of its Executive Committee, until his retirement in 1999. A financial services sector specialist, he advised Lloyd's of London, and then Equitas, on the Reconstruction and Renewal proposals of the early 1990s.

SIR MARK WRIGHTSON, Bt, INDEPENDENT NON-EXECUTIVE

Aged 55. Appointed a Director on 15 March 2006. Co-Chairman of Close Brothers Corporate Finance Limited, a subsidiary of Close Brothers Group plc. Formerly Chairman of the London Investment Banking Association Corporate Finance Committee and a member of the Panel on Takeovers and Mergers. Non-executive director of Tees Valley Regeneration Limited. Non-executive director of British Vita plc from 2004 until its sale in 2005.

NIGEL BUCHANAN, INDEPENDENT NON-EXECUTIVE

Aged 62. Appointed a Director in 2004. Chartered Accountant. Chairman of the Audit Committee since 1 September 2005 and a member of the Remuneration Committee. He is a non-executive director of Butterfield Bank (UK) Ltd and a trustee of the Outward Bound Trust. He retired as a senior client partner of PricewaterhouseCoopers in 2001, where he specialised in financial services clients. He joined a predecessor firm in 1968 and was appointed a partner in 1978. He was a member of the Ethics Standards Board of the Accounting Foundation until it was superseded in 2002.

BRIAN CARPENTER, UNDERWRITER

Aged 48. Appointed a Director in 2000. He is head of the Amlin Insurance Services division of Syndicate 2001, which comprises the Group's UK motor, property and liability businesses. He is Chairman of the Finance Committee of the Lloyd's Motor Underwriters Association. He was a member of the Lloyd's Market Board from 2000 to 2002 and of the Business Development Unit Board at Lloyd's from 1997 to 2000. Prior to joining the Group in 1989 as active underwriter of motor Syndicate 887 (now part of Syndicate 2001) he worked as a broker with Sedgwick and Marsh.

RICHARD HEXTALL, FINANCE DIRECTOR

Aged 37. Appointed Group Finance Director in 1999 on joining from Deloitte & Touche, where he was a director specialising in the insurance and financial services sector. Chartered Accountant. He has been Chairman of the Finance Committee of the Lloyd's Market Association since January 2005, having been a member since 2002. He has been a member of the Lloyd's Investment Committee since 2003.

TONY HOLT, UNDERWRITING DIRECTOR

Aged 54. Appointed a Director in 2000. He has been Director of Underwriting of Syndicate 2001 since 1999. He was appointed head of Syndicate 2001's non-marine division in 2000. He joined the Group in 1980 and was active underwriter of marine Syndicate 40 (now part of Syndicate 2001) from 1995 to 2000. He has been a member of the Advisory Committee to the Franchise Board of Lloyd's since 2003, having previously served on the Committee of the Lloyd's Underwriting Association and its Joint XL Committee.

CHARLES PHILIPPS, CHIEF EXECUTIVE

Aged 47. Appointed Group Chief Executive in 1999, having joined the Amlin Board as Group Finance Director in 1997. Chartered Accountant. Member of the Nomination Committee. He has represented Amlin Corporate Member Limited on the Council of Lloyd's since its election with effect from February 2001. He was a member of the Lloyd's Market Board for 2001 and 2002. He has been a director of the Lloyd's Market Association since 2003 and a Vice Chairman since January 2004. He was elected to the Council of The Insurance Institute of London in 2004. He was previously a director of NatWest Markets Corporate Finance Limited until 1997, having been employed there from 1983. Whilst at NatWest Markets he was responsible for the formation and flotation of Angerstein Underwriting Trust PLC (which became Amlin plc) on the London Stock Exchange.

APPENDIX 2

SUMMARY OF THE PRINCIPAL FEATURES OF THE PROPOSED NEW INCENTIVE PLANS

Sections A, B and C summarise the features of the New Incentive Plans that are specific to the SIP, the new LTIP and the Capital Builder Plan 2006 respectively. Section D summarises the features that are common to all of the New Incentive Plans.

A. The Amlin Share Incentive Plan 2006 (the “SIP”) (Resolution 11)

Operation

The Company intends to obtain HM Revenue & Customs approval of the SIP and the associated trust deed (the “SIP Trust”). The operation of the SIP will be supervised by the Remuneration Committee on behalf of the Board (the “Committee”).

Awards and individual limits

The SIP consists of three elements:

1. **“Free Shares”**, which are free ordinary shares which may be allocated to an employee by the Company.

The market value of Free Shares allocated to any employee in any tax year may not exceed £3,000 or such other limit as may from time to time be permitted by the relevant legislation. Free Shares may be allocated to employees equally, on the basis of salary, length of service or hours worked, or on the basis of performance, as permitted by legislation.

2. **“Partnership Shares”**, which are ordinary shares an employee may purchase out of his pre-tax earnings.

The market value of Partnership Shares which an employee can agree to purchase in any tax year may not exceed £1,500 (or 10% of the employee’s salary, if lower), or such other limit as may be permitted by the relevant legislation. Salary deductions may be accumulated over a period of up to 12 months and then used to buy ordinary shares at the lower of the market value of the ordinary shares at the start and end of the accumulation period.

3. **“Matching Shares”**, which may be allocated to an employee who purchases Partnership Shares.

Matching Shares are free ordinary shares. The Company may allocate Matching Shares to an employee who purchases Partnership Shares up to a maximum of two Matching Shares for every one Partnership Share purchased (or such other maximum ratio as may be permitted by the relevant legislation). The same Matching Share ratio will apply to all employees who purchase Partnership Shares under the SIP on the same occasion.

Eligibility

Employees of the Company and any participating subsidiary who are UK resident taxpayers are eligible to participate in the SIP. The Board may allow other employees to participate. The Board may require employees to have completed a qualifying period of employment of up to 18 months in order to be eligible to participate. All eligible employees must be invited to participate.

Retention of Shares

The trustee of the SIP Trust may award Free Shares and Matching Shares to employees and hold those shares on behalf of the participants. The trustee may acquire Partnership Shares on behalf of participants and hold those shares on behalf of the

participants. Free Shares and Matching Shares must usually be retained by the trustee of the SIP Trust for a period of between three and five years after the award date. Employees can withdraw Partnership Shares from the SIP Trust at any time.

The Committee may decide that awards of Free Shares and/or Matching Shares will be forfeited if participants cease to be employed by a member of the Group within three years from the grant of those awards unless they leave by reason of death, injury, disability, redundancy, retirement (on or after reaching a specified age) or the business or company for which they work ceasing to be part of the Group.

If a participant ceases to be employed by a member of the Group then he will be required to withdraw all the ordinary shares arising from his SIP awards from the SIP Trust unless those shares are forfeited.

Corporate events

In the event of a corporate reorganisation any ordinary shares held by participants may be replaced by equivalent shares in a new holding company. In the event of a general offer being made to shareholders participants will be able to direct the trustee of the SIP Trust how to act in relation to their ordinary shares.

Dividends on ordinary shares held by the trustee of the SIP Trust

Any dividends paid on ordinary shares held by the trustee of the SIP Trust on behalf of participants may be either used to acquire additional ordinary shares for employees (up to £1,500 worth of ordinary shares per tax year) or distributed to participants.

Rights attaching to Shares

An employee will be treated as the beneficial owner of ordinary shares held on his behalf by the trustee of the SIP Trust.

Variation of capital

In the event of a rights issue or capitalisation, participants will be able to direct the trustees of the SIP Trust how to act on their behalf.

B. The Amlin Long Term Incentive Plan 2006 (the "LTIP") (Resolution 12)

Operation

The Committee will supervise the operation of the LTIP.

Eligibility

Any employee of the Company and its subsidiaries (including an executive director) will be eligible to participate in the LTIP at the discretion of the Committee.

Grant of awards

The Committee may grant an award under the LTIP either as a conditional allocation of ordinary shares in the Company or as a nil (or nominal) cost option with a short exercise window. The Committee may also decide to grant cash-based awards of an equivalent value to share-based awards or to satisfy share-based awards in cash, although it does not currently intend to do so.

The Committee may grant awards within six weeks following the Company's announcement of its results for any period. The Committee may also grant awards when there are exceptional circumstances which the Committee considers justifies the granting of awards. It is intended that the first awards will be granted in 2007.

No payment will be required for the grant of an award.

Individual limits

An individual may not normally receive awards in any financial year over ordinary shares having a market value in excess of 100% of his annual salary in that financial year. However, if the Committee determines that exceptional circumstances exist, for example on the recruitment of a senior executive, that executive may be considered eligible to receive in either the year of his appointment or the following year an award over ordinary shares worth up to 200% of his annual salary.

Vesting of awards

Awards will normally vest on or following the third anniversary of grant once the Committee has determined the extent to which the applicable performance conditions (see below) have been satisfied and provided that the participant is still employed in the Group.

The Committee may, in its discretion, reduce or cancel an award in the event that a participant fails to comply with the standards required by the Company or if, in the opinion of the Committee, he causes reputational damage to the Company.

Leaving employment

Awards will normally lapse if a participant ceases to be an officer or employee of the Group. However, if a participant ceases to be an officer or employee of the Group by reason of death, injury, disability, ill health, retirement (at contractual retirement age, or any other age provided that the Committee, in its discretion, so permits), the sale or transfer of the participant's employing company or business out of the Group or in exceptional circumstances for any other reason and the Committee permits, his award will vest on the date of cessation. The extent to which an award will vest in these situations depends upon the extent to which the performance conditions have, in the opinion of the Committee, been satisfied as at the date of leaving. In the event of a participant's death or ill health, the Committee may, in its discretion, waive the performance conditions.

The award will then normally be pro-rated to reflect the period of time between the date of grant of an award and the date that the employee ceased to be an officer or employee of the Group relative to the period of three years. However, the Committee can decide not to pro-rate an award if it regards it as inappropriate to do so in the particular circumstances, for example, in the event of a participant's death or cessation by reason of ill health.

Corporate events

In the event of a takeover, scheme of arrangement or winding up of the Company (not being an internal reorganisation) all awards will vest early to the extent that the performance conditions have, in the opinion of the Committee, been satisfied at that time. Awards will then be pro-rated to reflect the period of time between the date of grant of an award and the date of the relevant corporate event, relative to the period of three years. However, the Committee can decide not to pro-rate an award if it regards it as inappropriate to do so in the particular circumstance.

In the event of an internal reorganisation, awards will be replaced by equivalent new awards over shares in a new holding company unless the Committee decides that awards should vest on the basis which would apply in the case of a takeover.

Performance conditions

All awards will be subject to performance conditions set by the Committee each year.

The first awards under the LTIP are expected to be made in 2007. For awards made in the financial year commencing on 1 January 2007, vesting is expected to be based on a condition measuring the Company's total shareholder return (TSR) against an unweighted index of TSRs for a comparator group of Lloyd's insurers (see below), as follows:

The Company's TSR compared with the comparator group index	Percentage of the total number of ordinary shares held under an award on grant that will vest
Below index	Nil
Equal to the index	25%
Index plus 25%	100%
Between index and index plus 25%	25%–100% on a straight-line basis

The initial TSR comparator group will comprise: Beazley Group, BRIT Insurance, Catlin Group, Chaucer Holdings, Kiln, Hiscox and Wellington Underwriting.

The performance period will be a single three year period and there will be no provision to re-test the performance condition.

In determining the appropriate levels of vesting, the Committee compared the TSR performance of the comparator group of Lloyd's insurers over each of the three year periods ended between 1 January 2001 and 1 January 2006. Using an unweighted index of these companies' TSRs, over the period the upper quartile threshold was on average 22% above the index. Based on this analysis the Committee decided that the margin for full vesting of awards should be set at 25%.

Irrespective of the Company's TSR performance, no award will vest unless the Committee is satisfied that the Company's financial performance over the performance period has been satisfactory.

Awards will lapse at the end of the applicable performance period to the extent that the performance conditions have not been satisfied.

The Committee can set different performance conditions from those described above for awards granted on or after 1 January 2007 provided that, in the reasonable opinion of the Committee, the new targets are not materially less challenging in the circumstances than those described above.

The Committee may also vary the performance conditions applying to existing awards to take account of events that the Committee considers to be exceptional, including technical events such as changes in accounting standards and treatment, provided the Committee considers the varied conditions are fair and reasonable and not materially less challenging in the circumstances than the original condition would have been but for the event in question.

Participants' rights

Awards will not confer any shareholders' rights until the awards have vested and the participants have received their ordinary shares.

The Committee may decide, prior to the grant of an award, that participants will receive a payment (in cash and/or ordinary shares) on or shortly following the vesting of their awards, of an amount equivalent to the dividends that would have been paid on the ordinary shares that vest between the time when the awards were granted and the time when they vest.

Variation of capital

In the event of any variation of share capital or in the event of a demerger, payment of a special dividend or similar event which materially affects the market price of the ordinary shares, the Committee may make such adjustments as it considers appropriate to adjust the number of ordinary shares held under an award and/or to the exercise price payable (if any).

C. *The Amlin Capital Builder Long Term Incentive Plan 2006 (the “Capital Builder Plan 2006”) (Resolution 13)*

Operation

The Committee will supervise the operation of the Capital Builder Plan 2006.

Eligibility

All employees of the Company and its subsidiaries (including executive directors who are involved in underwriting activities) may participate in the Capital Builder Plan 2006 at the discretion of the Committee. It is currently expected that only senior underwriters will participate in the Capital Builder Plan 2006. This group currently extends to around 50 employees.

Calculation of Bonuses

Either before the commencement of or within the first 12 months of each performance period (normally 5 years in duration) the Committee will decide what target claims ratio will apply to the capital allocated to each relevant underwriting class of business. This claims ratio will be based on a long term benchmark return reflecting expectations over the insurance cycle. A percentage of the aggregate underwriting profits earned by exceeding the specified target claims ratio for each underwriting business class over the duration of the performance period may be awarded to eligible employees in respect of each underwriting business class. The maximum percentage will be 10% and the actual percentage for each class will depend on the volatility characteristics of that class of business. It will be the Company’s aim to incentivise underwriters to contribute to an overall return on equity of at least 15% per annum over a full insurance cycle.

There will be a cap on the total amount which may be paid to a participant in respect of each rolling five year performance period of £1 million (before tax).

The first performance period will run from 1 January 2006 until 31 December 2010.

Individual Participation

The Committee will determine the proportion of each business class profit pool that will be allocated to each individual based upon its assessment of the individual’s seniority and performance. New recruits will be capable of joining the Capital Builder Plan 2006 during an existing performance period on a time pro-rated basis, but only during the first 12 months of each performance period. The Committee may also vary the proportion awarded to an individual if his responsibilities materially change.

The Committee may, in its discretion, reduce or cancel any bonus in the event that a participant in the Capital Builder Plan 2006 fails to comply with the standards required

by the Company or if, in the opinion of the Committee, he causes reputational damage to the Company.

Leaving Employment

Participants who leave the Group will not be entitled to receive a payment under the Capital Builder Plan 2006 unless the employee ceases to be an officer or employee by reason of death, injury, disability, ill health, retirement (at contractual retirement age, or any other age provided that the Committee, in its discretion, so permits), the sale or transfer of the participant's employing company or business out of the Group, or in exceptional circumstances any other reason and the Committee permits. In such situations the Committee may, in its discretion, determine to make payments to participants up to the proportion reserved for them in the relevant bonus pool either at the normal dates for payment or earlier, and, where appropriate, scaled down to reflect the period of time for which they have been employed by the Company during the performance period.

Payments

Bonuses will be paid in cash (or, at the Company's discretion, in ordinary shares), normally no earlier than five years after the start of the performance period. At this time up to 70% of each pool allocated to employees will be paid out, subject to a participant remaining employed within the Group on the date of payment or otherwise qualifying for payment.

One year later the remaining allocated balance in each pool (after adjustment for subsequent claims and changes in reserving) will be paid out subject to a participant remaining employed within the Group on the date of payment or otherwise qualifying for payment.

Subject to the approval of the Committee the Company may make adjustments to the reserving position for certain classes of business, to ensure an equitable treatment of participants across different business classes. To the extent that a class of business performance period payment has been made to a participant in the Capital Builder Plan 2006 and the reserving for that class is subsequently considered to have been inadequate, the Committee may deduct an appropriate amount from any subsequent amounts due in respect of a subsequent performance period to the same participant.

In the event of an amalgamation, reconstruction, take-over or winding-up of the Company, the balance in the bonus pools will become payable early only if the Committee deems it to be appropriate.

D. Features common to the New Incentive Plans

Grant

No option or award may be granted under the New Incentive Plans more than 10 years after the approval of the relevant plan by shareholders of the Company (the "Approval Date"). However, the Committee will review the operation and suitability of the LTIP and the Capital Builder Plan 2006 by the fifth anniversary of the Approval Date.

New Incentive Plan limits

The New Incentive Plans may operate over newly issued ordinary shares, shares held in treasury or ordinary shares purchased in the market.

In any ten calendar year period the Company may not issue (or have the possibility to issue) more than 10% of the issued ordinary share capital of the Company under the SIP, the LTIP, the Capital Builder Plan 2006 or any other employee share plan adopted by the Company.

In any ten calendar year period, the Company may not issue (or have the possibility to issue) more than 5% of the issued ordinary share capital of the Company under the LTIP, the Capital Builder Plan 2006 or any other discretionary share plan adopted by the Company.

Ordinary shares held in treasury will count as newly issued ordinary shares for the purposes of these limits unless institutional investor bodies decide that they need not count.

Rights attaching to, and benefits over, ordinary shares

Any ordinary shares allotted when an award or option is made, vests or is exercised (as appropriate) under any of the New Incentive Plans will rank equally with ordinary shares then in issue (except for rights arising by reference to a record date prior to their allotment).

Options and awards are not transferable, except on death. Options and awards are not pensionable.

Alterations to the New Incentive Plans

The Committee or Board (as appropriate) may, at any time, amend the provisions of the New Incentive Plans in any respect, provided that the prior approval of shareholders is obtained for any amendments that are to the advantage of participants in respect of the rules governing eligibility, limits on participation, the overall limits on the issue of ordinary shares or the transfer of ordinary shares held in treasury, the basis for determining a participant's entitlement to, and the terms of, the ordinary shares or cash to be acquired and the adjustment of awards or options.

The requirement to obtain the prior approval of shareholders will not, however, apply to any minor alteration made to benefit the administration of the New Incentive Plans, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any company in the Group.

Overseas New Incentive Plans

The Committee or the Board (as appropriate) may at any time without further shareholder approval establish further share plans corresponding to any New Incentive Plans for overseas territories, any such plans to be similar to the corresponding New Incentive Plan, but modified to take account of local tax, exchange control or securities laws, provided that any ordinary shares made available under such further plans are treated as counting against the limits on individual and overall participation in the relevant New Incentive Plan.

APPENDIX 3

SUMMARY OF PROPOSED CHANGES TO MEMORANDUM AND ARTICLES OF ASSOCIATION

The following are details of the changes to the Company's Memorandum and Articles of Association proposed to be adopted pursuant to Resolutions 19, 20 and 21:

1 Directors' Indemnities (Resolution 19)

The Companies (Audit, Investigations and Community Enterprise) Act 2004 came into force on 6 April 2005. It inserts a new Section 309A into the Companies Act 1985 (the "Companies Act"), which allows a company to indemnify its directors against any liability incurred by a director to any person (other than the company or any associated company) in connection with any negligence, default, breach of duty or breach of trust in relation to that company. Previously, this was prohibited under Section 310 of the Companies Act.

The new legislation also addresses the previous restriction on companies only being able to fund a director's defence costs once final judgement in his or her favour had been reached. A new Section 337A allows a company to provide its directors with funds to cover the costs incurred or to be incurred by a director in defending proceedings brought against him or her.

Since directors are increasingly being added as defendants in legal actions against companies, the Board believes that the risk of directors being placed under significant financial strain is increasing. The Board feels that the provision of appropriate indemnities and the ability to fund directors' defence costs as they are incurred or to be incurred, as permitted by the new law, is fair and reasonable protection for the directors, and is also important to ensure that the Company continues to attract and retain the highest calibre of directors.

The Board therefore proposes that the Memorandum and Articles of Association of the Company be amended to reflect the new statutory provisions so that the Company may fund a director's defence costs in the event that an action is brought against him or her. The Board also proposes to amend the authority in the existing Articles of Association to indemnify Directors to reflect the new legislation.

The proposed change to the Articles of Association contained in Resolution 19, part II, A is to ensure that the Directors can vote and be counted in the quorum at board meetings about such indemnities and funding.

Under the new provisions, individual directors will still be liable to pay any damages awarded to the Company in an action against them by the Company and, if their defence is unsuccessful, to repay their defence costs to the extent funded by the Company.

The new legislation does not restrict the Company from indemnifying or funding the defence costs of other officers of the Company. The Board believes it is appropriate that such persons be indemnified in respect of their liabilities to the same extent as directors.

2 Directors' Remuneration (Resolution 20)

The Articles of Association presently have a cap of £400,000 on the aggregate directors' fees of all the directors. It is proposed that this be increased to £500,000. This aggregate maximum covers directors' fees only and does not cover remuneration for other services, such as remuneration for executive directors as employees, or fees in respect of chairmanship and committee duties. Although the present aggregate fees

are materially below the current cap, in view of current trends in directors' fees and the increasing demands on directors, it is considered prudent to increase the cap periodically.

3 Retirement and Re-election of directors (Resolution 21)

The Combined Code (Code Provision A.7.1) states that all directors should be required to re-submit themselves for re-election at least every three years. The proposed amendments simplify the manner in which Articles 81 to 83 ensure that this is the case, by stating that each director shall retire at the Annual General Meeting held in the third calendar year following the year of his previous election, rather than a more complicated formula which presently applies.

