

This brochure forms the terms and conditions of the Amlyn plc dividend reinvestment plan. Please read it carefully and retain it in case you need to refer to it in the future.

The information provided in this brochure should not be regarded as a recommendation to buy or hold shares in Amlyn plc. The value of shares and the income from them can fall as well as rise and you may not recover the amount of money you invest. If you are in any doubt about what you should do, you should seek independent financial advice.

If you have any enquiries about the dividend reinvestment plan, you can write to:

The Plan Administrator
PO Box 1064
The Pavilions
Bridgewater Road
Bristol
BS99 3EB
or telephone: 0870 7020000

Introduction

Amlyn plc (the "Company") offers a dividend reinvestment plan (the "Plan") that gives shareholders the opportunity to use their cash dividend to buy ordinary Amlyn plc shares through a special low-cost dealing arrangement.

The Plan is run and administered by Computershare Investor Services PLC or any successor administrator as may be appointed (the "Plan Administrator"). Computershare Investor Services PLC is authorised and regulated by the Financial Services Authority (FSA) in the conduct of this service. The Plan is not run by the Company itself.

About the Plan

1 How does the Plan operate?

Shareholders who are paid a cash dividend are given the opportunity to reinvest it in Amlyn plc shares through a special dealing arrangement. If shareholders join the Plan, then as many whole shares as possible will be purchased for them from their cash dividends, until further notice from the shareholder. 0.5% dealing charge and stamp duty reserve tax at the prevailing rate (currently 0.5%) will be charged. Purchases are made on, or as soon as reasonably practicable after, the relevant payment date. The purchases are made on an execution only basis and as a consequence of this no advice will be given.

All monies which are held for you will be held in a client bank account which we maintain for clients of this service. This account is maintained at The Royal Bank of Scotland, which is an approved bank. We will not pay interest on any such money.

2 How is a dividend reinvestment plan different from a scrip dividend scheme?

Under a dividend reinvestment plan, a company pays a cash dividend which is then used to buy existing shares on the open market. A scrip dividend scheme is different in that the company creates new shares instead of paying a cash dividend.

3 Who can join the dividend reinvestment plan?

You may participate in the Plan provided that you do not live in or are subject to the jurisdiction of any country where your participation in the Plan would require the company or Plan Administrator (Computershare Investor Services PLC) to comply with local governmental or regulatory procedures or similar formalities. Should it materialise that you live in or are subject to the jurisdiction of such a country and that you have returned a completed mandate form, the Plan Administrator may, at its discretion, cancel your participation in the Plan.

If you are resident outside the UK, you are responsible for ensuring that you are legally permitted to join the Plan and for completing all relevant formalities.

If in doubt, you should consult your independent financial advisor. Where local legislation prohibits participation in the dividend reinvestment plan, this documentation should be regarded as for information only.

Employees of Amlyn plc or any subsidiary company may require prior written clearance to participate in the Plan.

4 Who administers the Plan?

The Plan is operated by Computershare Investor Services PLC or such successor administrator of the Plan as may be appointed from time to time.

5 How much will it cost me to join the Plan?

Shareholders will be charged a special dealing charge of 0.5% of the value of shares bought. You will also have to pay stamp duty reserve tax at the prevailing rate (currently 0.5%).

For example, if £50 worth of shares were bought for you under the Plan, a special dealing charge of 25p and stamp duty reserve tax of 25p would be deducted from the dividend as a dealing charge (at the current level of stamp duty reserve tax).

6 Why are you charging shareholders to participate in the Plan?

Under section 151 of the Companies Act 1985 it is not lawful for a company to give financial assistance to a person acquiring shares in that company. The Company is therefore obliged to pass on the direct costs of acquisition to participating shareholders.

7 At what price will the shares be bought and how many shares will I receive?

This will depend on the price of Amlyn plc ordinary shares on the London Stock Exchange when the deal is carried out. The shares will be bought at the best price available at the time of dealing. You cannot specify a maximum or minimum price. Shares are bought on an execution only basis.

It may be necessary to carry out several market transactions in order to acquire the number of shares needed for the Plan. The prices at which the shares are purchased may vary between transactions, in which case deal prices will be averaged with all shareholders receiving the same price and this may operate to your advantage or disadvantage.

8 What happens when money is left over after shares have been bought?

Because only whole shares will be bought under the Plan, there will usually be a "cash surplus" left over afterwards that is insufficient to buy another whole share. This cash surplus will be carried forward on behalf of the relevant shareholders without interest and added to future cash dividends for reinvestment in Amlyn plc shares under the Plan.

However, in the following circumstances any cash surplus will be paid out without interest:

- Any cash surplus will be sent to you if you send a written request to the Plan Administrator. However, any such request will also be treated as a notice that you wish to withdraw from the Plan
- Any cash surplus of £2,000 or over will be returned to you in any of the following circumstances:
 - if you withdraw from the Plan
 - if you sell or transfer your shares
 - if the Plan Administrator receives proper notice of a shareholder's bankruptcy or mental incapacity
 - if the Plan Administrator receives proper notice of a shareholder's being placed in liquidation
- If the Plan Administrator receives proper notice of a shareholder's death, any cash surplus of £2,000 or over will be returned to the deceased's estate
- Any cash surplus of less than £2,000 will be donated to a registered charity of the Company's choice if any of the events described above occur, unless a written request has been received to do otherwise

9 Will the Plan apply to future dividends?

It is envisaged that the Plan will continue to operate for the foreseeable future. However, the Plan Administrator reserves the right to suspend or terminate the Plan at any time, in which case notice shall be given to all participants under the Plan. The Plan Administrator may amend the Plan without notice where the amendment is required by reason of a statutory or regulatory provision, and the Plan Administrator shall inform participants under the Plan in writing of the amendment as soon as practicable. In any other case the Plan Administrator may amend the Plan by thirty days written notice to participants under the Plan. Such amendment may include revision of the costs and charges associated with the Plan. The Plan Administrator is not obliged to make the Plan available for any particular dividend. If it is not made available a cash dividend will be paid.

What you should do

10 What should I do if I want to join the dividend reinvestment plan?

To join the dividend reinvestment plan, simply complete and sign the mandate form enclosed with this brochure and return it to the Plan Administrator. Instructions via fax, email, telephone or photocopied forms are not acceptable. The Plan Administrator must receive your completed mandate at least fifteen working days prior to the dividend payment date. Applications received by the Plan Administrator after that date will be effective for the following dividend.

Once a shareholder has elected to participate in the Plan, all future dividends will be reinvested under the Plan until either the shareholder withdraws from the Plan (see question 12) or the Plan is suspended.

11 What should I do if I do not want to join the dividend reinvestment plan?

If you want to continue to receive a cash dividend and do not want to join the dividend reinvestment plan, then you need take no action.

12 If I join the Plan now, how can I withdraw from it in the future?

You can withdraw from the Plan at any time by writing to the Plan Administrator. Your written notice must be received no later than fifteen working days before the dividend payment date if you do not wish to be included in the Plan for that dividend. If you sell some of your shares or buy further shares we will assume you wish to continue to participate in the Plan, unless you notify us otherwise.

If you send a request to the Plan Administrator for surplus cash to be returned to you (see question 8), this will be treated as a notice that you wish to withdraw from the plan. If the Plan Administrator receives proper notice of a shareholder's death, bankruptcy or mental incapacity (or, in the case of a corporate shareholder, liquidation), participation in the Plan will cease unless the shares are held jointly with others.

13 Can I join the Plan for just some of my shares?

No. For administrative reasons, you have to join the Plan for either your entire shareholding or not at all. The only possible exception to this rule is for large corporate or nominee shareholdings, for which the Plan Administrator may permit reinvestment on a lesser number of shares than the full holding, this partial reinvestment applying for that dividend payment only. Applications for partial reinvestment must be received in writing by the Plan Administrator no later than fifteen working days prior to the relevant dividend date. A cash dividend will be paid on the balance of the shares not included in the Plan.

14 What are the timescales for joining the Plan for the forthcoming dividend?

If you want to join the Plan for the forthcoming dividend, then you should complete the enclosed mandate form and ensure that the Plan Administrator receives it at least fifteen working days prior to the dividend payment date. Applications received after that date will be effective for the following dividend.

15 What documents will I receive?

You will receive a share purchase advice which will tell you how many shares have been purchased for you, a tax voucher and a share certificate or CREST notification. All documents will be sent by post at the shareholder's risk within fifteen working days of the dividend payment date. Neither the Company nor the Plan Administrator shall be liable for any accidental failure to receive any document sent by the Company, Plan Administrator or Shareholder. All notices shall be sent to the first named shareholder at the address on the share register.

16 What happens if I am a CREST sponsored member?

If you are a CREST sponsored member, you will receive a CREST notification instead of a share certificate. The CREST notification will show the additional shares credited to your CREST account.

Other Information

17 How does joining the Plan affect my tax position?

The tax consequences for a shareholder electing for dividend reinvestment will depend upon his/her personal circumstances. You are liable for tax on dividends reinvested under the Plan on the same basis as if you had received the cash and arranged the investment yourself. You should therefore include the dividend in your tax return in the normal way. Please note that you may be liable to capital gains tax if you dispose of the shares. If you are in any doubt about your tax position, you should seek independent financial advice. Tax legislation can change from time to time.

18 Who will carry out the purchase of shares?

Instructions to purchase the shares under the Plan will be placed with a broker (the 'Broker') appointed by the Plan Administrator. The Broker will be a member of the London Stock Exchange and authorised and regulated by the Financial Services Authority (FSA). All dealings will be subject to and in accordance with the rules and regulations of the London Stock Exchange and the FSA.

19 Is there anything else of which I should be aware?

The Plan Administrator and its agents (including the Broker) may effect transactions notwithstanding that they have a direct or indirect material interest or a relationship of any description with another party which may involve a conflict with its duty to participants under the Plan. The price of shares can alter significantly between the time that you join the plan and the time the shares are purchased.

The Plan Administrator is authorised to disclose any information regarding shareholders or their participation in the Plan to any relevant authority, or as required by such authority, whether by compulsion of law or not. The Plan Administrator will not be liable for any disclosure made in good faith provided that the Plan Administrator believes that such disclosure has been made in accordance with the foregoing requirements.

Any personal data that we obtain from you in providing this Service will be held by us in accordance with the relevant legislation. We will only hold, use or otherwise process such of your personal data as is necessary to provide you with the Service. Your details will only be disclosed in accordance with the principles set out in the Data Protection Act 1998: to any person if that person has legal or regulatory powers over us; and to the Broker or any other person or body in order to facilitate the provision of the Service. You have a right to request to view the information that we hold on you. We may charge you a small fee for providing you access to this information.

Each of the provisions of the Plan will be severable and distinct from one another and if one or more of such provisions is invalid or unenforceable the remaining provisions will not in any way be affected.

The Plan Administrator will take reasonable care in the administration of the Plan and will be responsible to you for any losses or expenses suffered or incurred by you as a direct result of our breach of these terms and conditions, negligence, wilful default or fraud. We do not accept liability for any indirect or consequential loss suffered by you or for any loss which does not arise as a result of the Plan Administrator's breach of these terms and conditions, wilful default, fraud or negligence.

The Plan Administrator has procedures in place to help resolve all complaints from customers effectively, a copy of which can be provided on request. The Plan Administrator is authorised and regulated by the FSA. If you have any complaints about the service provided to you, you should write to the Plan Administrator at the address shown above the Introduction. The Plan Administrator is a member of the Financial Ombudsman Service, details of which are available on request. Furthermore you may request a statement describing your rights under the Financial Services Compensation scheme.

Nothing in these terms and conditions restricts any rights you may have under the rules of the Financial Services Authority (FSA) or under the Financial Services and Markets Act 2000, and to the extent that this statement is a financial promotion for the share dealing service provided by Computershare Investor Services PLC it has been approved by Computershare Investor Services PLC for the purpose of Section 21 (2) (b) of the Financial Services and Markets Act 2000 only.

These terms and conditions are governed by and shall be construed in accordance with the law of England and Wales.



dividend
reinvestment
plan

Computershare

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