

47-05-98

Company No. 1821312



COMPANIES ACT 1985

Company Limited By Shares

Resolutions of

GUARDIAN ROYAL EXCHANGE PLC

Passed on 28 April 1998

At the Extraordinary General Meeting of the Company held on 28 April 1998, the following Resolutions were duly passed.

1. Special Resolution

That, conditional on the admission to the Official List of the London Stock Exchange Limited of non-cumulative redeemable preference shares of 20½ pence each ("B Shares") and ordinary shares of 5¼ pence each ("New Ordinary Shares") each as referred to below becoming effective (in accordance with the Listing Rules of the London Stock Exchange) by 8.30 am on 5 May 1998, or such later time and/or date as the Directors of the Company may determine:

- 1.1 the authorised share capital of the Company be and is hereby increased from £60,000,000 to £251,000,100 such that, following the passing and implementation of the resolution, the authorised share capital is comprised of 931,707,318 B Shares and 1,142,859,044 New Ordinary Shares, having the rights and privileges and being subject to the restrictions contained in the Articles of Association of the Company as amended by paragraph 1.11 of this resolution, a summary of such rights and restrictions being set out in Part II and Part IV of the Circular to Shareholders dated 31 March 1998;
- 1.2 the Directors be and are hereby authorised to capitalise such sum as they may determine but not exceeding £191,000,000 out of that part of the sum standing to the credit of the Company's share premium account as the Directors may specify and to utilise such sum in paying up in full at par up to 931,707,317 B Shares of 20½ pence each and be and are hereby authorised (in addition to any subsisting authority thereunder) pursuant to section 80 of the Companies Act 1985 (as amended) to allot and distribute such B Shares credited as fully paid up to the holders of ordinary shares of 5 pence each ("Existing Ordinary Shares") on the Register at 5.30 pm on 1 May 1998

("Qualifying Holders") on the basis of one B Share for every fully paid Existing Ordinary Share and pro rata for every partly paid Existing Ordinary Share according to the amounts paid up on such shares but so that no Qualifying Holder shall be entitled to a fraction of a B Share;

- 1.3 forthwith upon such distribution of B Shares, every fully paid Existing Ordinary Share in issue shall be and is hereby subdivided into 20 fully paid shares of 5/20 of a penny each and forthwith upon such subdivision every 21 fully paid shares of 5/20 of a penny each shall be and are hereby consolidated into one fully paid New Ordinary Share but so that no Qualifying Holders shall be entitled to any fraction of a New Ordinary Share and all fractional entitlements arising out of such subdivision and consolidation shall be aggregated into New Ordinary Shares and the whole number of shares arising from such aggregation shall be sold on behalf of the Qualifying Holders and the net proceeds of such sale shall be distributed in due proportion among those Qualifying Holders who would otherwise be entitled to such fractional entitlements;
- 1.4 the Directors be and are hereby authorised, in accordance with Article 50 of the Company's Articles of Association, to sell all the issued fully paid ordinary shares of 5/20 of a penny each remaining after the aggregation of fractional entitlements referred to in paragraph 1.3 above to Cazenove & Co. at a price of 1/21 of the price per share on the sale of the New Ordinary Shares arising out of the aggregation of fractional entitlements referred to in paragraph 1.3 above and to distribute the proceeds of such sale in due proportion among those Qualifying Holders who would otherwise be entitled to such fractional entitlements;
- 1.5 forthwith upon the distribution of B Shares referred to in paragraph 1.2 above, every partly paid Existing Ordinary Share in issue shall be and is hereby sub-divided into 20 partly paid shares of 5/20 of a penny each and forthwith upon such sub-division every 21 partly paid shares of 5/20 of a penny each shall be and are hereby consolidated into one partly paid New Ordinary Share credited as 5 per cent. paid both as to nominal value and premium but so that no Qualifying Holder of partly paid shares shall be entitled to a fraction of a partly paid New Ordinary Share;
- 1.6 the Directors be and are hereby authorised, in accordance with Article 50 of the Company's Articles of Association, to sell all the issued partly paid ordinary shares of 5/20 of a penny each remaining after the sub-division and consolidation referred to in paragraph 1.5 above to Cazenove & Co. at a price of 1/21 of the price per share on the sale of the New Ordinary Shares arising out of the consolidation of fractional entitlements referred to in paragraph 1.3 above less the proportional uncalled amount outstanding and unpaid on each such share and to distribute the proceeds of the sale in due proportion among those Qualifying Holders of partly paid New Ordinary Shares who would otherwise be entitled to such partly paid shares of 5/20 of a penny each;

- 1.7 the terms of the proposed contract between Cazenove Co. and the Company providing for, inter alia, the purchase by the Company of certain of its own issued ordinary shares of 5/20 of a penny each, being both fully paid and partly paid (a draft of which is produced to the meeting and signed for the purposes of identification by the Chairman) be and is hereby approved and authorised for the purposes of section 164 of the Companies Act 1985 and otherwise but so that such approval and authority shall expire at the conclusion of the next annual general meeting of the Company or 28 July 1999, whichever is the earlier and following completion of such contract all of the shares so purchased shall be cancelled from the issued (but not the authorised) share capital of the Company in accordance with section 160(4) of the said Act;
- 1.8 (i) following the capitalisation issue and distribution referred to in paragraph 1.2 and the subdivision and consolidation referred to in paragraphs 1.3 and 1.5 above, all authorised but unissued Existing Ordinary Shares be and are hereby subdivided into shares of 5/20 of a penny each and then consolidated together first, with those shares of 5/20 of a penny purchased and cancelled under paragraph 1.7 above and then with the other authorised but unissued shares of 5/20 of a penny each in each case so as to result in such consolidated shares constituting, so far as possible, a whole number of New Ordinary Shares; and (ii) thereafter the whole of the Company's authorised but unissued ordinary share capital (including any unissued shares of 5/20 of a penny remaining after the consolidation referred to in paragraph 1.8(i) above), other than the New Ordinary Shares, shall be and are hereby cancelled pursuant to section 121(e) of the Companies Act 1985 (as amended);
- 1.9 upon or after the redemption or the purchase of any B Shares by the Company in accordance with the provisions of the Companies Act 1985 (as amended), the Directors may consolidate and/or sub-divide and/or convert and/or reclassify the authorised B Shares of the Company existing following such redemption or purchase (i) into shares of any other class of share capital into which the authorised share capital of the Company is or may at that time be divided of a like nominal amount as the shares of such other class and/or (ii) into unclassified shares;
- 1.10 that, subject to and in accordance with Article 6 of the Company's Articles of Association, the Company be and is hereby generally and unconditionally authorised to make market purchases (within the meaning of section 163(3) of the Companies Act 1985 (as amended)) of B Shares provided that:
- 1.10.1 the maximum number of shares which may be purchased is 931,707,317;
- 1.10.2 the price which may be paid for each B Share is the nominal value of each B Share exclusive of expenses; and
- 1.10.3 the authority hereby conferred unless previously renewed

shall expire on the conclusion of the annual general meeting of the Company in 1999 or 28 July 1999 if earlier, but a contract of purchase may be made before such expiry which will or may be executed wholly or partly thereafter, and a purchase of shares may be made in pursuance of any such contract; and

- 1.11 the Articles of Association of the Company shall be and are hereby amended in the manner set out in the list of amendments produced to the meeting and initialled by the Chairman for the purpose of identification.

2. Special Resolution

That, conditional on the passing of Resolution 1 above and the same becoming effective in accordance with its terms, the Company be authorised to make market purchases (within the meaning of section 163 of the Companies Act 1985) of New Ordinary Shares provided that:

- 2.1 the maximum number of shares hereby authorised to be purchased is 87,852,095 New Ordinary Shares (representing 10 per cent. of the issued New Ordinary Shares in the capital of the Company after the passing and implementation of Resolution 1);
- 2.2 the minimum price that may be paid for each New Ordinary Share is the nominal value of such share (exclusive of expenses);
- 2.3 the maximum price which may be paid for each New Ordinary Share is an amount equal to 105 per cent. of the average of the middle market quotations for a New Ordinary Share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such share is purchased; and
- 2.4 the authority hereby conferred shall expire on the date of the next annual general meeting of the Company or, if earlier, on 28 July 1999 (except in relation to the purchase of New Ordinary Shares the contract for which was concluded before such date and which is executed wholly or partly after such date).



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