

No. 2221960

THE COMPANIES ACT 1985 to 1989

COMPANY LIMITED BY SHARES

## SPECIAL RESOLUTIONS

OF

## ROYAL INSURANCE HOLDINGS PLC

*Passed 14th June, 1996*

At the EXTRAORDINARY GENERAL MEETING of the above-named company duly convened and held at Merchant Taylor's Hall, 30 Threadneedle Street, London EC2 on Friday 14th June, 1996 the following Resolutions were duly passed as SPECIAL RESOLUTIONS:-

### SPECIAL RESOLUTION

1. THAT, for the purpose of giving effect to the scheme of arrangement (the "Scheme") dated 22nd May, 1996 between the Company and the holders of its Scheme shares (a print of which has been produced to the meeting and for the purpose of identification signed by the Chairman):
  - a) the share capital of the Company be reduced by cancelling all the Scheme shares (as defined in the Scheme);
  - b) forthwith and contingent on such reduction of capital taking effect:



LINKLATERS & PAINES  
BARRINGTON HOUSE,  
59-67 GRESHAM STREET,  
LONDON EC2V 7JA  
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- i) the share capital of the Company be increased to its former amount by the creation of such number of new ordinary shares of 25 pence each as shall be equal to the number of Scheme shares; and
- ii) the credit arising in the books of account of the Company as a result of the cancellation of the Scheme shares be applied in paying up in full at par the new ordinary shares of 25 pence each referred to in paragraph (b) (i) above, such new ordinary shares to be allotted and issued credited as fully paid to Sun Alliance Group plc and/or its nominees; and
- c) the directors of the Company be authorised pursuant to and in accordance with section 80 of the Companies Act 1985 to give effect to this resolution and accordingly to effect the allotment of the new ordinary shares referred to in paragraph (b) above, provided that (i) this authority shall expire on 31st December, 1996 and (ii) the maximum number of shares which may be allotted hereunder shall be 900,000,000.

#### SPECIAL RESOLUTION

2. THAT, conditionally on the passing of the Special Resolution numbered 1 above, the articles of association of the Company be amended by the adoption and inclusion of the following new article 145:

**"Shares not subject to scheme of arrangement**

- 1) In this article, references to the "Scheme" are to the scheme of arrangement between the Company and the holders of Scheme shares (as defined therein) dated 22nd May, 1996 under section 425 of the Companies Act 1985 and terms defined in the Scheme shall have the same meanings.
- 2) If any shares in the Company, other than Scheme shares, are held by or allotted and issued to any person (a "new member") other than Sun Alliance or any nominee of Sun Alliance on or after the Effective Date of the Scheme, they will (on issue or on the Effective Date, whichever is later) be immediately transferred to Sun Alliance in consideration of and conditional on the issue to the new member of 1.067 ordinary shares of 25 pence each in Sun Alliance for each share in the Company transferred, provided that fractions of the Sun Alliance shares will not be allotted and issued to any

new member but will be aggregated and sold in the market for the benefit of Sun Alliance. The Sun Alliance ordinary shares issued to the new member will be credited as fully paid and will rank equally in all respects with all other Sun Alliance ordinary shares in issue at the time (other than as regards any dividend or other distribution payable by reference to a record date preceding the date of allotment or the Effective Date of the Scheme whichever is later) and be subject to the articles of association of Sun Alliance.

- 3) The number of shares to be issued to the new member under this article 145 may be adjusted by the directors in such manner as the auditors may determine, on any reorganisation of the share capital of the Company or of Sun Alliance.
- 4) To give effect to any such transfer required by this article 145, the Company may appoint any person to execute a form of transfer on behalf of the new member in favour of Sun Alliance and to agree for and on behalf of the new member to become a member of Sun Alliance."



J H BERG  
ASSISTANT COMPANY SECRETARY