

HIGHWAY INSURANCE HOLDINGS PLC
(Company No. 2998217)

At the Annual General Meeting of the members of the Company held at Highway House, 171 Kings Road, Brentwood, Essex CM14 4EJ on 10 May 2006, the following special resolutions (Resolutions 7 and 9) and ordinary resolution dealing with allotment of securities (Resolution 8) were passed.

Special Resolution 7

That the Company be and is hereby granted general and unconditional authority to make market purchases (as defined in section 163 of the Companies Act 1985) of any of its ordinary shares on such terms and in such manner as the directors of the Company may from time to time determine provided that the general authority conferred by this resolution shall:

- (i) be limited to 20,433,166 ordinary 20p shares.
- (ii) not permit the payment per share of more than 5% above the average of the middle market quotations of an ordinary 20p share of the Company on the London Stock Exchange Daily Official List for the five business days immediately prior to the date of purchase or less than 20p (in each case exclusive of advance corporation tax payable (if any) and expenses); and
- (iii) expire at the conclusion of the Annual General Meeting of the Company held in 2007 (except in relation to the purchase of shares the contract for which was concluded before the expiry of the said period and which might be executed wholly or partly after such date).

Ordinary Resolution 8

That the directors be and are hereby generally and unconditionally authorised for the purposes of section 80 of the Companies Act 1985 (the "Act") in place of all such prior authorities which are hereby terminated, to exercise all the powers of the Company to allot relevant securities (within the meaning of section 80(2) of the Act) up to an aggregate nominal amount of £13,622,111 this authority to expire at the conclusion of the annual general meeting of the Company in 2007 or on 9 August 2007, whichever is the earlier (save that the Company may before such expiry make any offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of any such offer or agreement as if the authority conferred hereby had not expired).

Special Resolution 9

That subject to the passing of Resolution 8, the directors be and are hereby empowered pursuant to section 95(1) of the Companies Act 1985 (the "Act") in place of all such prior empowerments which are hereby terminated:

- (a) to allot equity securities (within the meaning of section 94 of the Act) of the Company for cash pursuant to the authority conferred by resolution 9; and



- (b) to sell relevant shares (as defined in section 94(5) of the Act) held by the Company as treasury shares (as defined in section 94(3A) of the Act) ("treasury shares") for cash (as defined in section 162D(2) of the Act),

as if section 89(1) of the Act did not apply to any such allotment or sale, provided that this power shall be limited to the allotment of equity securities for cash and the sale of treasury shares:

- (i) in connection with or pursuant to a rights issue or open offer or any other pre-emptive offer in favour of holders of ordinary shares and holders of any other class of equity securities entitled to participate therein in proportion (as nearly as practicable) to the respective number of equity securities held by them on the record date for such allotment but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with fractional entitlements, treasury shares, record dates or legal or practical problems arising under the laws of any overseas territory or the requirements of any regulatory body or stock exchange in any territory or any other matter whatsoever; and
- (ii) otherwise than pursuant to paragraph (i) of this resolution, up to an aggregate nominal amount of £2,043,316,

and shall expire on the earlier of 9 August 2007 and the conclusion of the next annual general meeting of the Company, save that the Company may before such expiry make any offer or enter into any agreement which would or might require equity securities to be allotted, or treasury shares to be sold, after such expiry and the directors may allot equity securities, or sell treasury shares in pursuance of any such offer or agreement as if the power conferred hereby had not expired.

For and on behalf of the Board



P J Lampshire
Company Secretary
11 May 2006