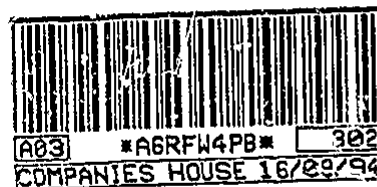


Company No. 70234



COMPANIES ACT 1985

SPECIAL RESOLUTION OF
ECONOMIC INSURANCE COMPANY LIMITED

Passed on 4 August 1994

At an EXTRAORDINARY GENERAL MEETING of the above-named company duly convened and held on 4 August 1994 the following resolution was duly passed as a special resolution:-

SPECIAL RESOLUTION

"THAT the Articles of Association be and are hereby amended by the addition of the following paragraph as new Article 108:-

- "108 (a) The Company shall have two classes of life insurance policies and annuity policies, namely "with profits" policies and "without profits". Holders of "with profits" policies shall be entitled to participate in the profits of the Company's life department ("the Life Department") available for distribution and attributable to such policies: holders of "without profit" policies shall not be entitled to participate in the profits of the Life Department. With effect from 1 January 1987, separate accounts shall be maintained in respect of "with profits" policies and the profits attributable to such policies shall be ascertained by allocating to such accounts, in accordance with principles determined by the directors, part of the investment income, capital gains and expenses of the Life Department after allowance for taxation.
- (b) For the purposes of ascertaining the profit or loss on the business of the Life Department the books of the Life Department shall be balanced, and the financial position of the Life Department shall be investigated once in every period of twelve months, or more frequently if the directors shall so decide, by the actuary appointed in accordance with Section 19 of the Insurance Companies Act 1982 (including every statutory modification or re-enactment for the time being in force and all regulations made thereunder). Subject to the provisions of the Insurance Statutes, the amount (if any) of the profits of the Company's Life Department available for distribution shall be determined by the Directors on the basis of such investigation and after making such provisions as they shall think desirable.

(c) Following each annual or other investigation referred to in article 108(b) the Directors shall determine:-

- (i) how much of the profits of the Life Department that are available for distribution and attributable to "with profits" policies shall be allocated for the benefit of the holders of such policies, and
- (ii) how the profit allocated in accordance with paragraph (i) above shall be apportioned between the classes of "with profits" policies, and
- (iii) how and when such profits shall be distributed, and
- (iv) what additional part (if any) of the profits of the Life Department that are available for distribution and attributable to "with profits" policies, not exceeding one ninth of the amount allocated in accordance with paragraph (i) above shall be allocated for the benefit of shareholders.

and the Company in general meeting shall on the recommendation of the Directors determine:-

- (v) how much of the profits of the Life Department, other than profits attributable to "with profits" policies; are to be allocated to shareholders, and
- (vi) how any remaining profits are to be dealt with.

No part of the profits attributable to "with profits" policies shall be distributed other than in accordance with paragraphs (i) to (vi) above, to the intent that any part of the profits so attributable which shall from time to time remain undistributed shall be carried forward and form part of the profits of the life fund available for distribution and allocation in subsequent years in accordance with paragraphs (i) to (iv) of this Article.

(d) Upon each such annual or other investigation referred to in article 108(b) the directors may declare a prospective bonus to be paid out of the profits attributable to "with profits" policies during the ensuing 12 months or other period in respect of such "with profits" policies in the Company (whether existing at the time of such declaration or subsequently effected) as may become claims within such period, and such prospective bonus shall be at such rate or rates and shall otherwise be payable in such manner and upon such terms and conditions as the directors may from time to time determine to be appropriate having regard to investment and other conditions prevailing."

and the existing Articles 108 to 119 (inclusive) be renumbered accordingly."

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Chairman

12th Sept., 1994.