

Company No. 3002 "

THE COMPANIES ACTS 1985 AND 1989

PUBLIC COMPANY LIMITED BY SHARES

SPECIAL RESOLUTION

of

BRITANNIC ASSURANCE PUBLIC LIMITED COMPANY

At the Annual General Meeting of the Company held at 1 Wythall Green Way, Wythall, Birmingham on 13 April 1999 the following resolution was passed as a special resolution of the Company:-

SPECIAL RESOLUTION

"THAT the authorised share capital of the Company be reduced from £12,063,500 to £12,000,000 by cancelling and extinguishing the £63,500 5 per cent cumulative preference stock, upon terms that the Company pay to the holders of such preference stock whose names appear on the register of members at the close of business on the day on which the reduction of capital becomes effective (the "effective date") a cash sum of £1 for each £1 preference stock held together with all arrears and accruals of dividend calculated to and including the effective date and a premium equal to the amount (if any) by which the nominal value of such preference stock is exceeded by a sum equal to the average of the means of the daily quotations at which the preference stock has been quoted on the London Stock Exchange during the six months up to the effective date after first deducting from each daily mean an amount equal to all arrears and accruals of the fixed dividend on the preference stock as certified by the auditors of the Company."

Dated 12 April 1999

*R. Shaw*

CHAIRMAN

