

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you are advised to consult your stockbroker, solicitor, accountant, or other professional adviser. If you have sold or otherwise transferred all your shares in Resolution Limited (the "Company"), please pass this document together with the accompanying documents to the purchaser or transferee, or to the person who arranged the sale or transfer for transmission to the person who now holds shares in the Company.

Resolution Limited

(incorporated and registered in Guernsey under company number 49558)

Notice of Annual General Meeting

to be held at 11.00am on Thursday 8 May 2014
at The Queen Elizabeth II Conference Centre, Broad Sanctuary,
Westminster, London, SW1P 3EE, United Kingdom

Whether or not you propose to attend the AGM, please complete and submit a Form of Proxy or, if you are a Resolution Limited Share Account holder, a Form of Instruction. Forms of Proxy must be received by Computershare no later than **11.00am on Tuesday 6 May 2014** and Forms of Instruction by no later than **11.00am on Friday 2 May 2014** at The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ or otherwise in accordance with the instructions found on pages 21 and 22 of this document.

Resolution Limited Share Account holders will only be entitled to attend and vote at the AGM if they have submitted a Form of Instruction in accordance with the relevant instructions.

4 April 2014

Dear Shareholder,

Annual General Meeting to be held on Thursday 8 May 2014

I am pleased to invite you to the Company's 2014 Annual General Meeting (the "**AGM**"), which will be held at 11.00am on Thursday 8 May 2014 in the Mountbatten Room at the Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London, SW1P 3EE. A location map is included on the Form of Proxy or Form of Instruction.

Business of the AGM

The formal notice of the AGM (the "**Notice**") which follows sets out the resolutions to be proposed, together with explanatory notes and appendices. Explanatory notes to each of the resolutions are included on pages 7 to 11.

The AGM gives the Board the opportunity to present the Company's performance and strategy to shareholders and to respond to any questions that shareholders might have. If you wish to ask any questions at the AGM, please register them with the Company in advance of the AGM (by writing to the Company Secretary at One New Change, London, EC4M 9EF) or on the day of the AGM at the allocated question registration points. While the Board will endeavour to answer all questions raised at the AGM, irrespective of whether they have been pre-registered, priority will be given to those shareholders who have pre-registered their question(s).

Board of Directors

This will be my first AGM since I took over the chairmanship of the Company on 16 May 2013. Since the last AGM I have been pleased to welcome two new non-executive directors to the Board, Roger Perkin and Marian Glen. In accordance with the Company's Articles of Incorporation, Roger and Marian will be standing for election by shareholders for the first time at the AGM. It was also recently announced that Clive Cowdery and John Tiner will not seek re-election to the Board at the AGM, and I would like to thank them for their contributions to the Board. Other existing directors will be submitting themselves for re-election by shareholders at the AGM in accordance with the provisions of the UK Corporate Governance Code. Biographical details for each of the directors standing for election or re-election are provided at Appendix 1 to the Notice of Meeting.

Change of Company Name

The Company has announced that it will seek shareholder approval at the AGM to change the Company's name to Friends Life Group Limited. The key reason for this change is to create a unified brand for the Group by bringing the Group's investor/ listed brand in line with its UK customer brand, Friends Life. The vast majority of the Company's UK products trade under the name of Friends Life, and the Board believes that there will be benefits from a customer, distributor and colleague perspective in aligning the listed and UK trading brands. The proposal to change the Company's name is also in keeping with the changes to the Company's governance and operating structure, which were implemented on 28 March 2013, and to extend the Friends Life brand to the parent company is a logical step in the transformation of the Group as we seek to consolidate our position as a sustainable provider of pensions, investments and insurance.

If approved by shareholders, the change of name will become effective immediately following the AGM after the necessary regulatory filings have been made.

The proposal to change the Company's name will not affect its position as a premium listed company on the London Stock Exchange.

Share Certificates

Your existing share certificates will remain valid after the change of name, and it is not therefore proposed that replacement share certificates are issued.

Voting at the AGM

Voting at the AGM will again be by way of a poll rather than a show of hands, which will allow the votes of all shareholders to be counted. If you would like to vote on the resolutions but are unable to attend the AGM, you can register your vote electronically or by completing and returning the relevant voting card(s) by post. Full details on how to vote are set out on pages 21 and 22 of this document.

Online Communications


You can view the 2013 Annual Report at www.resolution.gg. If you wish to receive notice of future general meetings and other notifications online, please register for this service on the Investor Relations section of the Company's website, contact Computershare at The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ, or call the Shareholder Helpline on +44 (0) 870 707 1444.

Recommendation

The Board is of the opinion that all of the proposed resolutions are in the best interests of the Company and its shareholders as a whole. Accordingly, the directors recommend that you vote in favour of each resolution, as the directors intend to do in respect of their own beneficial holdings.

We look forward to welcoming you to the AGM.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Malcolm Williamson', with a long horizontal flourish extending to the right.

Sir Malcolm Williamson
Chairman

Resolution Limited (the “Company”)

(incorporated and registered in Guernsey under company number 49558)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2014 Annual General Meeting of shareholders of the Company (the “**AGM**”) will be held at 11.00am on Thursday 8 May 2014 at The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London, SW1P 3EE, United Kingdom. The business of the AGM will be to consider and, if thought fit, approve the following resolutions, of which resolutions 1 to 22 (inclusive) will be proposed as ordinary resolutions and resolutions 23 to 25 (inclusive) will be proposed as special resolutions.

ORDINARY RESOLUTIONS

Report and Accounts

1. TO receive the Directors’ Report, Strategic Report and Accounts for the financial year ended 31 December 2013 together with the report of the auditors of the Company.

Remuneration Report

2. TO approve the Directors’ Remuneration Report, excluding the Directors’ Remuneration Policy set out on pages 100 to 107 of the Directors’ Remuneration Report, for the financial year ended 31 December 2013.
3. TO approve the Directors’ Remuneration Policy, set out on pages 100 to 107 of the Directors’ Remuneration Report for the financial year ended 31 December 2013.

Dividend

4. TO declare a final dividend of 14.09 pence per share on the ordinary shares of the Company.

Auditors

5. TO re-appoint Ernst & Young LLP as auditors of the Company until the conclusion of the next Annual General Meeting of the Company.
6. TO authorise the Board to determine the remuneration of the auditors of the Company.

Directors

7. TO re-elect David Allvey as a director of the Company.
8. TO re-elect Andy Briggs as a director of the Company.
9. TO re-elect Mel Carvill as a director of the Company.
10. TO re-elect Peter Gibbs as a director of the Company.
11. TO elect Marian Glen as a director of the Company.
12. TO re-elect Nick Lyons as a director of the Company.
13. TO elect Roger Perkin as a director of the Company.
14. TO re-elect Robin Phipps as a director of the Company.
15. TO re-elect Belinda Richards as a director of the Company.
16. TO re-elect Karl Sternberg as a director of the Company.
17. TO re-elect Tim Tookey as a director of the Company.
18. TO re-elect Tim Wade as a director of the Company.
19. TO re-elect Sir Malcolm Williamson as a director of the Company.

Political donations

20. THAT, in accordance with Part 14 of the Companies Act 2006 (the “**2006 Act**”), the Company and all companies that are subsidiaries of the Company at any time during the period for which this resolution is effective be and are hereby authorised to:

- a) make political donations to political parties and/or independent election candidates, as defined in sections 363 and 364 of the 2006 Act, not exceeding £100,000 in total;
- b) make donations to political organisations other than political parties, as defined in sections 363 and 364 of the 2006 Act, not exceeding £100,000 in total; and
- c) incur political expenditure, as defined in section 365 of the 2006 Act, not exceeding £100,000 in total;

provided that the aggregate amount of any such donations and expenditure incurred by the Company and its subsidiaries shall not exceed £100,000 during the period commencing on the passing of this resolution and ending at the conclusion of the Company’s AGM to be held in 2015 or, if earlier, at the close of business on the date falling 15 months after the date of this resolution.

Directors’ authority to allot

21. THAT the Board be and is hereby generally and unconditionally authorised to issue shares in the Company, and to grant rights to subscribe for or convert any security into shares in the Company, in accordance with Article 4.3 of the Articles of Incorporation of the Company:

- (A) up to 472,703,009 ordinary shares in the Company (equal to one-third of the ordinary shares in issue as at the date of this Notice) (such number to be reduced by any issues or grants made under paragraph (B) below in excess of an equivalent number); and
- (B) up to 945,406,019 ordinary shares in the Company (equal to two-thirds of the ordinary shares in issue as at the date of this Notice) (such number to be reduced by any issues or grants made under paragraph (A) above) solely in connection with an offer by way of a rights issue:
 - (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
 - (ii) to holders of other shares or securities, as required by the rights of those securities or as the Board otherwise considers necessary,

and so that the Board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter,

such authorities to apply in substitution for all previous authorities pursuant to Article 4.3 of the Articles of Incorporation of the Company and to expire at the conclusion of the Company’s 2015 Annual General Meeting or, if earlier, at the close of business on the date falling 15 months after the date of this resolution, but, in each case, during this period the Company may make offers, and enter into agreements, which would, or might, require shares to be issued or rights to subscribe for or convert securities into shares to be granted after the authority given to the Board pursuant to this resolution ends and the Board may issue shares or grant rights to subscribe for or convert securities into shares under any such offer or agreement as if the authority given to the Board pursuant to this resolution had not ended.

Performance Share Plan

22. THAT the directors are hereby authorised:

- (a) to establish the Resolution Limited Performance Share Plan (the “**PSP**”), a summary of the main provisions of which is set out in Appendix 2 to the circular to shareholders dated 4 April 2014 and a copy of the rules of which is produced to the meeting and initialled by the Chairman for the purposes of identification, and the Directors are hereby authorised to do all acts and things which it considers necessary or desirable to carry the same into effect; and
- (b) to establish schedules to or further share plans for the benefit of employees outside the United Kingdom based on the PSP, modified to the extent necessary or desirable to take account of non-United Kingdom tax, securities and exchange control laws and regulations, provided that such schedules or plans must operate within the limits on individual and overall participation in the PSP.

SPECIAL RESOLUTIONS

Name change

23. THAT the name of the Company be changed from Resolution Limited to Friends Life Group Limited.

Disapplication of pre-emption rights

24. THAT, if Resolution 21 is passed, the Board be and is hereby authorised to dis-apply the right of shareholders to receive a pre-emptive offer pursuant to Article 4.12 of the Articles of Incorporation of the Company, provided that this authority shall be limited to the issue of up to 70,905,451 ordinary shares in the Company (equal to 5% of the ordinary shares in issue as at the date of this Notice) and shall expire (unless previously renewed, varied or revoked by the Company in a general meeting) at the end of the next Annual General Meeting of the Company, or, if earlier, at the close of business on the date falling 15 months after the date of this resolution, but, in each case, during this period the Company may make offers, and enter into agreements, which would, or might, require ordinary shares to be issued (and/or treasury shares to be sold) after the authority given to the Board pursuant to this resolution ends and the Board may issue ordinary shares (and/or sell treasury shares) under any such offer or agreement as if the authority given to the Board pursuant to this resolution had not ended.

Authority to purchase own shares

25. THAT, conditional upon the ordinary shares of the Company remaining trading on the main market of the London Stock Exchange, the Company be and is hereby authorised in accordance with The Companies (Guernsey) Law, 2008, as amended (the "**Law**") to make market acquisitions (as defined in the Law) of ordinary shares in the Company (for cancellation and/or holding in treasury) provided that:

- (a) the maximum number of ordinary shares in the Company authorised to be acquired is 141,810,902 (equal to 10% of the ordinary shares in issue as at the date this Notice);
- (b) the minimum price (exclusive of expenses) which may be paid for an ordinary share in the Company is £0.01; and
- (c) the maximum price (exclusive of expenses) which may be paid for an ordinary share in the Company is the higher of:
 - (i) 105% of the average closing middle market quotation for an ordinary share in the Company (as derived from the London Stock Exchange Daily Official List) for the five business days prior to the day the purchase is contracted to be made; and
 - (ii) the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange at the time the purchase is carried out,

such authority to expire at the conclusion of the next Annual General Meeting of the Company, or, if earlier, at the close of business on the date falling 15 months after the date of this resolution, but, in each case, during this period the Company may make offers, and enter into agreements, which would, or might, require ordinary shares to be purchased after the authority given to the Board pursuant to this resolution ends and the Company may purchase ordinary shares under any such offer or agreement as if the authority given to the Board pursuant to this resolution had not ended.

By order of the Board

Victoria Hames

Company Secretary
4 April 2014

Registered office:	Correspondence address:
Resolution Limited	Resolution Limited
PO Box 255	One New Change
Trafalgar Court	London EC4M 9EF
Les Banques	
St Peter Port	
Guernsey GY1 3QL	

EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

At the AGM there are 25 resolutions which shareholders will be asked to consider and, if thought fit, approve. An explanation of each resolution is given below. Resolutions 1 to 22 (inclusive) are proposed as ordinary resolutions. An ordinary resolution requires more than 50% of votes cast relating to that resolution to be in favour of it for the resolution to be passed. Resolutions 23 to 25 (inclusive) are proposed as special resolutions. A special resolution requires at least 75% of votes cast relating to that resolution to be in favour of it for the resolution to be passed.

The Company is a Guernsey-incorporated company and complies with the laws and regulations of Guernsey. Whilst the Company may not be obliged to comply with the Companies Act 2006 and other UK legislation, as the UK listed parent company of a group of companies which are predominantly UK-incorporated, the Company's Board is of the view that to apply equivalent standards where appropriate is in the spirit of both best practice and ensuring full transparency for shareholders. Resolutions 1 (in relation to the Strategic Report), 2, 3 and 22 are proposed for this reason.

ORDINARY RESOLUTIONS

Resolution 1: Directors' Report, Strategic Report and Accounts

The directors present the Directors' Report, Strategic Report, the audited accounts and the independent auditors' report in respect of the financial year ended 31 December 2013 to the AGM. These documents are included within the 2013 Annual Report and Accounts, which is available on the Company's website at www.resolution.gg. As a result of changes to the Companies Act 2006, which the Company has chosen to comply with for best practice, the Company has produced a Strategic Report for the first time this year. The new regulations aim to encourage information in annual reports to be more relevant to shareholders, by giving them an insight in to the Company's main objectives and strategies, the risks it faces, and to provide context for the related financial statements. The Strategic Report contains a review of the Company's business and a description of the principal risks and uncertainties facing the Company. The Strategic Report has replaced the Business Review, which was previously included in the Directors' Report, whilst introducing new reporting requirements on areas such as environmental matters, and social, community and human rights issues.

Resolutions 2 and 3: Directors' Remuneration Report and Directors' Remuneration Policy

Following the introduction of The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 (the "**Regulations**"), which came in to effect in the UK on 1 October 2013, there are new requirements this year in relation to the content of the Directors' Remuneration Report and the way in which it is approved. In accordance with the new provisions, the Directors' Remuneration Report in the Annual Report and Accounts contains:

- A statement by Nick Lyons, Chair of the Company's Remuneration Committee;
- The Implementation Report, which sets out payments made to directors in the financial year ended 31 December 2013; and
- The Directors' Remuneration Policy in relation to future payments to directors and former directors.

The Implementation Report, sets out details of the implementation of the Company's remuneration policy, including the terms of payments and share awards made to the directors in connection with their performance and that of the Company during the year ended 31 December 2013. As in previous years, the resolution to approve the Implementation Report and the Statement from the Remuneration Committee Chairman is an advisory vote (Resolution 2). The Committee Chairman's Statement can be found on pages 98 to 99 of the Annual Report and Accounts. The Implementation Report may be found on pages 108 to 121 of the Annual Report and Accounts.

The Directors' Remuneration Policy (the "**Policy**") sets out the Company's forward looking policy on directors' remuneration, and under the Regulations is subject to a binding vote by shareholders at least every three years. The Company intends the Policy, which can be found on pages 100 to 107 of the Annual Report and Accounts, to take effect immediately after the close of the AGM. Once the Policy comes in to effect, all payments by the Company to directors and any former directors must be made in accordance with the Policy (unless a payment has been separately approved by a shareholder resolution). If approved and if it remains unchanged, the Policy will be valid for up to three years without further shareholder approval being required. If the Company wishes to change the Policy within three years, it will need to put the revised policy to shareholders before it can implement the new policy. At the present time, the Company does not intend to seek shareholder approval to change the Policy prior to the 2017 AGM.

Resolution 4: Final Dividend

The Company is seeking the approval of a final dividend of 14.09p per ordinary share, as recommended by the Board. The final dividend of 14.09p per ordinary share will be paid on 16 May 2014 to those shareholders registered on the Company's register of members on 4 April 2014, subject to solvency testing in accordance with the Companies (Guernsey) Law, 2008 (the "**Law**"). A company satisfies the "solvency test" if: (i) it is able to pay its debts as they become due; and (ii) the value of its assets is greater than the value of its liabilities. In recommending the payment of the final dividend the directors have already considered the "solvency test". However, payment of the final dividend will remain conditional on the directors re-confirming that the solvency test will be satisfied immediately following such payment being made on 16 May 2014.

Resolutions 5 and 6: Appointment and remuneration of the auditors

The Company is required to appoint auditors at each general meeting at which accounts are laid before the Company, to hold office until the conclusion of the next such meeting. Resolution 5 deals with the re-appointment of Ernst & Young LLP as the Company's independent auditors for the next year. The Audit Committee regularly reviews the effectiveness of the external auditor and the Board recommends the re-appointment of Ernst & Young LLP on this basis. The independence of the external auditor is also reviewed by the Audit Committee, and there is an External Auditor Policy in place to ensure that the auditor can remain independent. Ernst & Young LLP were appointed in 2008 on the Company's incorporation, and this is their sixth year of tenure. Having reviewed the Competition Commission guidance and the UK Corporate Governance Code requirement to tender the external audit contract every ten years, the Audit Committee will, during 2014, consider the subject of audit tender. Further information can be found in the Annual Report and Accounts.

Resolution 6 seeks authority for the Board to determine the auditors' remuneration. It is normal practice for the Board to be granted this authority.

Resolutions 7 to 19 (inclusive): Election and Re-election of directors

Each director will retire at the AGM and submit themselves for election or re-election by shareholders. This is in accordance with the recommendations of the 2012 UK Corporate Governance Code and, in the case of directors appointed since the 2013 AGM, the Articles of Incorporation. The biography of each director proposed for election or re-election is set out in Appendix 1. The biographies demonstrate the skills, competencies and experience that each director brings to the Board.

Prior to confirming that each director should be proposed for election or re-election, the following factors were considered by the Nomination Committee:

- In 2013 the Company carried out an external Board evaluation, which included a review of the performance of each director on an individual basis. The review confirmed that each individual director continued to operate effectively and to demonstrate commitment to their role.
- The Nomination Committee has reviewed the skills of the Board as a whole by way of a skills matrix. This has confirmed the continued suitability of the current Board composition.
- The independence of all directors was reviewed by the Nomination Committee at the end of 2013. The Nomination Committee considers that of all those directors currently considered to be independent, remain independent.
- The Nomination Committee has confirmed that, having considered both the planned approach to succession for the Board and the independence, performance and time commitments of individuals, all directors currently serving should be recommended to the shareholders for election/re-election at the AGM.

The UK Corporate Governance Code requires that non-executive directors should be appointed for a specified term subject to re-election and to statutory provisions relating to the removal of a director. Any term beyond six years for a non-executive director should be subject to particularly rigorous review, and should take into account the need for progressive refreshing of the Board. Robin Phipps will reach six years tenure during 2014 and, during the Nomination Committee's annual review of the independence of the directors, the points considered in respect of Robin's position included:

- whether any of the independence criteria on which his appointment was based had significantly changed;
- any other changes which may have materially affected independence, such as changes in external directorships or shareholdings, particularly where these are with companies in a related field;
- the outcome of the Board evaluation process;
- participation in Board and committee meetings; and

- the overall nature of Robin's relationship with the Company.

On the basis of the above points, the Nomination Committee confirmed that it deems Robin to still be an independent non-executive director.

Resolution 20: Political donations

The Companies Act 2006 requires companies to seek shareholder approval before they can make donations to political parties, other political organisations or independent candidates, or incur any political expenditure. The Company is seeking this approval for the first time in the spirit of complying with best practice.

It is the Company's policy not to make political donations and/or incur political expenditure. However, the definitions of political donations, political organisations and political expenditure in the 2006 Act are very wide and could inadvertently catch activities such as supporting policy review in the business community, employee involvement in union activity, and funding seminars and other functions to which politicians are invited. Therefore, to avoid inadvertent infringement of the widely drawn 2006 Act, the directors are seeking shareholders' authority to incur political expenditure, up to a maximum aggregate amount of £100,000 during the period commencing on the date of the passing of this resolution and ending at the end of the Company's next AGM or on the date falling 15 months after the date of this resolution, whichever is the sooner. Any political donations made or political expenditure incurred which is in excess of £5,000 will be disclosed in the Company's annual report and accounts next year, as required by the 2006 Act.

Resolution 21: Authority to issue shares

Paragraph (A) of this resolution would give the directors the authority to issue shares or grant rights to subscribe for or convert any securities into shares up to an aggregate number of 472,703,009 ordinary shares in the Company. This amount represents one-third of the issued ordinary share capital of the Company as at the date of this Notice.

In line with guidance issued by the Association of British Insurers ("**ABI**"), paragraph (B) of this resolution would give the directors authority to issue shares or grant rights to subscribe for or convert any securities into shares in connection with a rights issue in favour of ordinary shareholders up to an aggregate number of 945,406,019 ordinary shares. This amount (before any reduction) represents two-thirds of the issued ordinary share capital of the Company as at the date of this Notice.

In order to ensure that the maximum amount of shares issuable under Resolution 21 does not exceed an amount equal to two-thirds of the issued ordinary share capital, deductions will be made from (A) or (B) to ensure that this remains the case, regardless of whether the Company issues shares under (A) or (B) first.

The directors have no present intention to exercise either of the authorities sought under this resolution except in connection with Group employee share plans. However, if they do exercise the authorities, the directors intend to follow ABI recommendations concerning their use (including as regards the directors standing for re-election in certain cases).

The authorities sought under paragraphs (A) and (B) of this resolution will expire at the conclusion of the Company's 2015 AGM, or, if earlier, 15 months after the date of this AGM. As at the date of this Notice, the Company does not hold any of its shares in Treasury.

Resolution 22: Approval of Performance Share Plan

Resolution 22 relates to the proposed introduction of a new share plan by the Company, the Resolution Limited Performance Share Plan ("**PSP**").

Shareholders will recall that, in the 2012 Directors' Remuneration Report, the Remuneration Committee explained the modifications to the legacy Friends Life Group Long Term Incentive Plan in the context of a review to introduce a new long-term incentive plan at the 2014 AGM. The Remuneration Committee has concluded that review and is now proposing to shareholders the adoption of a market standard performance share plan consistent with its overall strategy of paying executives by reference to the median of FTSE 31-100 companies and other large insurers. The PSP will permit annual awards of shares linked to suitably challenging pre-vest performance conditions.

The main terms of the PSP are summarised in Appendix 2 to this circular, but the key terms of the awards proposed to be made under the PSP are as follows:

- The new PSP will allow for the grant of awards of performance shares.
- All PSP awards will be subject to pre-vesting performance conditions. For 2014 PSP awards, the proposed performance conditions are:

- Total Shareholder Return (“**TSR**”) relative to FTSE 350 constituent companies (excluding Investment Trusts) for 50% of award shares, with no vesting beneath median performance, 20% of this part vesting at the median and full vesting of this part at upper quintile performance;
 - Absolute Embedded Value (“**EV**”) using the reported MCEV definition of EV for the final year of the three year performance period (and after adding back any dividends or share buy-backs over the performance period) for 25% of award shares, with no vesting beneath the threshold, 20% of this part vesting at threshold performance and full vesting of this part for stretch performance;
 - Total Group Free Surplus Generated (“**FSG**”) using the aggregate reported numbers over the three year performance period for 25% of award shares, with no vesting beneath the threshold, 20% of this part vesting at threshold performance and full vesting of this part for stretch performance.
- All performance conditions will be measured over appropriate three-year periods. Following the application of the performance conditions, 50% of any calculated shares will vest as soon as practicable after the third anniversary of the award date with the further 50% of any calculated shares vesting as soon as practicable after the fourth anniversary of the award date.
 - The individual limit for PSP awards in any year will normally be shares worth 200% of base salary at the time of award (although a higher 300% limit is permitted in exceptional circumstances). The proposed policy for award levels is that the Group Chief Executive and Chief Financial Officer will receive awards at 200% of base salary and 175% of base salary level respectively in 2014 and in future years. Other individuals who are selected to participate in the PSP will do so at lower levels.

The resolution also seeks a standard authority from shareholders that enables the Directors to establish schedules amending the PSP and/or establish sub-plans based on the PSP to enable the PSP to operate in jurisdictions outside the UK.

SPECIAL RESOLUTIONS

Resolution 23: Change of Company Name

It is proposed that the name of the Company is changed to Friends Life Group Limited. The key reason for this change is to create a unified brand for the Group by bringing the Group’s investor/listed brand in line with its UK customer brand, Friends Life. The vast majority of the Company’s UK products trade under the name of Friends Life, and the Board believes that there will be benefits from a customer, distributor and colleague perspective in aligning the listed and UK trading brands. The proposal to change the Company’s name is also in keeping with the changes to the Company’s governance and operating structure, which were implemented on 28 March 2013, and to extend the Friends Life brand to the parent company is a logical step in the transformation of the Group as we seek to consolidate our position as a sustainable provider of pensions, investments and insurance.

If approved by shareholders, the change of name will become effective immediately following the AGM after the necessary regulatory filings have been made.

Resolution 24: Disapplication of pre-emption rights

In accordance with the Company’s Articles of Incorporation, the directors are seeking shareholder approval to issue ordinary shares wholly for cash or out of treasury for cash without first offering them to existing shareholders in proportion to their existing shareholdings. This resolution allows the directors to make such provision as they think fit in relation to fractional entitlements and/or certain overseas shareholders and/or other classes of shares. The Board believes that the ability to issue new ordinary shares on a non-pre-emptive basis is in the best interests of the Company as this affords considerable flexibility and a significant reduction in time and costs in effecting fund-raising.

If approved, the disapplication authority will allow the Board to issue up to 70,905,451 ordinary shares, equal to 5% of the total number of ordinary shares in issue as at the date of this Notice. The directors confirm their intention to follow the provisions of the Pre-Emption Group’s Statement of Principles regarding cumulative usage of disapplication of pre-emption rights authorities within a rolling three year period. The Principles provide that companies should not issue shares for cash representing more than 7.5% of the Company’s issued share capital in any rolling three year period, other than to existing shareholders, without prior consultation with shareholders.

The authority sought under this resolution will expire at the conclusion of the Company’s next AGM, or, if earlier, 15 months after the date of this AGM.

Resolution 25: Authority to purchase own shares

This resolution proposes to renew the authority granted to the Company at last year's AGM to make market purchases of its own ordinary shares to address, among other things, any imbalance in the supply of, and demand for, ordinary shares. No shares were bought back under the current authority, which expires at the end of this AGM.

The directors seek authority to make market acquisitions of up to 10% of the Company's issued ordinary shares. The directors have no present intention of exercising this authority, however the authority provides the flexibility to allow them to do so in the future. The directors will only exercise this authority if and when to do so would be in the best interests of the Company and its shareholders as a whole, and could be expected to result in an increase in the earnings per share of the Company.

In accordance with the Law, the Company may only make market purchases of its ordinary shares if it satisfies the "solvency test" (as detailed in the Law) immediately after the shares are acquired. A company satisfies the "solvency test" if: (i) it is able to pay its debts as they become due; and (ii) the value of its assets is greater than the value of its liabilities. In connection with any purchase of the Company's ordinary shares, the directors will therefore need to confirm that the solvency test will be satisfied immediately following such purchase being made.

The minimum price, exclusive of expenses, which may be paid for an ordinary share is £0.01. The maximum price, exclusive of expenses, which may be paid for an ordinary share is the higher of: (i) an amount equal to 105% of the average market value for an ordinary share for the five business days immediately preceding the date of the purchase; and (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out.

Any ordinary shares purchased under the renewed authority will either be cancelled or held in treasury. Such decision will be made by the directors at the time of the purchases.

As at the close of business on 2 April 2014, there were options and awards over 10,897,762 ordinary shares in the capital of the Company, which represented 0.77% of the Company's issued ordinary share capital (excluding treasury shares) as at that date. If the remainder of the authority to purchase the Company's ordinary shares granted at last year's AGM and the authority proposed to be granted under Resolution 25 were both exercised in full, these options and awards would, assuming no further ordinary shares are issued after that date, represent 0.96% of the Company's issued ordinary share capital (excluding treasury shares) as at that date. This percentage would reduce to 0.85% if no further purchases were made under the authority granted at last year's AGM but the authority proposed to be granted under Resolution 25 was exercised in full. As at the close of business on 2 April 2014, the Company did not hold any treasury shares and, other than as referred to above, no warrants over ordinary shares in the capital of the Company existed.

The authority sought under this resolution will expire at the conclusion of the Company's next AGM, or, if earlier, 15 months after the date of this AGM.

APPENDIX 1

Biographies of Directors (Resolutions 7 to 19 (inclusive))

David Allvey – Senior Independent Director

Appointed March 2013, and appointed as Senior Independent Director in May 2013.

Skills, competencies and experience

David has significant executive leadership experience gained in positions held in UK listed and International financial services companies. He also brings extensive recent and relevant financial experience to the Board with a focus on corporate governance and risk management.

Career

David has held senior executive positions in major international businesses including appointments as Group Finance Director of BAT Industries and Barclays plc, and as Chief Operating Officer for Zurich Financial Services AG. David was a member of the UK Accounting Standards Board and has also held non-executive directorships at Thomas Cook Group plc and as Senior Independent Director at Intertek Group plc and William Hill plc. He was the Chairman of Arena Coventry Limited until May 2012.

External appointments

David is the Chairman of Costain Group plc and holds non-executive directorships with Clydesdale Bank plc and National Australia Group Europe Limited.

Committee membership

Risk and Compliance Committee (Chairman)

Audit Committee

Nomination Committee

Remuneration Committee

Andy Briggs – Group Chief Executive

Appointed March 2013.

Skills, competencies and experience

Andy has significant experience in a number of sectors within the insurance industry. He has extensive knowledge of the UK regulated environment, and brings his skills in strategic and business planning to the Board along with the benefit of his experience in capital and risk management and organisational change. Andy is a Fellow of the Institute of Actuaries.

Career

Andy has held positions as CEO of Scottish Widows and of the General Insurance businesses of Lloyds Banking Group. Prior to joining Lloyds Banking Group, Andy was at the Prudential Group for 19 years, working in the intermediated, face to face and online businesses, both in the UK and overseas. Andy's final role at the Prudential Group was as CEO of their Retirement Income business.

External appointments

Andy is a member of the Board of the Association of British Insurers ("ABI"), was appointed Chairman of the ABI Audit Committee in July 2012 and represents the ABI at the Prudential Regulation Authority Practitioner Panel. Andy is also a member of the NSPCC's fundraising committee, and chairs one of their larger fundraising sub-committees.

Committee membership

None

Mel Carvill – Independent non-executive Director

Appointed February 2010.

Skills, competencies and experience

Mel has extensive practical experience in risk and capital management having worked in a number of senior positions across a range of sectors in the European financial services industry. As a Fellow of both the Institute of Chartered Accountants in England and Wales and the Chartered Institute for Securities and Investment, an Associate of the Chartered Insurance Institute and a Chartered Insurer, he is well placed to bring his recent and relevant financial experience to the Board and its Committees. Mel is Chairman of the Board of Friends Life Limited.

Career

Mel is the founder and President of PPF Partners (a private equity firm). In addition, he was previously a Commissioner of the Guernsey Financial Services Commission. Prior to this Mel worked at Generali for over 25 years where he held a number of senior positions, including Head of Western Europe, Americas and Middle East, Head of Risk Management and Head of Corporate Finance.

External appointments

Mel holds a number of directorships within financial services companies operating in Europe, the Americas and Asia.

Committee membership

Nomination Committee

Risk and Compliance Committee

Peter Gibbs - Independent non-executive Director

Appointed March 2013.

Skills, competencies and experience

Peter brings the benefit of significant knowledge of the financial services and asset management sectors to the Board, its Committees, and the Board of Friends Life Investments Limited. Peter has extensive recent leadership experience of companies subject to the UK financial services regulatory regime. Peter is Chairman of the Board of Friends Life Investments Limited.

Career

Peter was the Senior Independent Non-Executive Director of The Evolution Group plc until its takeover by Investec in December 2011, and a member of its Audit, Remuneration and Nomination Committees. Peter was also the non-executive Chairman of Turquoise, the pan-European trading platform, until 2009. Peter was Chief Investment Officer and Head of Region for the non-US Investment Management activities of Merrill Lynch, having spent his early career at Brown Shipley and Bankers Trust.

External appointments

Peter holds non-executive directorships at Aspect Capital Limited, UK Financial Investments Limited and Intermediate Capital Group plc. Peter is also a director of Bank of America Merrill Lynch (UK) Pension Plan Trustees Limited.

Committee membership

Investment Oversight Committee

Marian Glen – Independent non-executive Director

Appointed October 2013.

Skills, competencies and experience

Marian brings the benefit of over 25 years of experience as a solicitor to the Board, having worked both in private practice and in senior executive positions at AEGON. Marian has extensive recent and relevant merger and acquisitions and corporate finance expertise, gained across a wide range of sectors including financial services.

Career

Marian was formerly General Counsel of AEGON UK and a member of its Executive Committee and AEGON's Global Leadership Team. Prior to joining AEGON, she gained extensive experience as a solicitor in corporate finance at both Linklaters and Shepherd and Wedderburn, where she became Head of Funds and Financial Services.

External appointments

Marian is currently a non-executive director at the Financial Services Compensation Scheme and of Shires Income PLC, a listed investment trust managed by Aberdeen Asset Managers. In addition, Marian is an external member of the Audit Committee of the Water Industry Commission for Scotland, the economic regulator of the Scottish water industry.

Committee membership

Remuneration Committee

Nick Lyons – Independent non-executive Director

Appointed March 2013.

Skills, competencies and experience

Nick brings the benefit of a broad range of financial and insurance sector experience gained in large and complex international businesses to the Board. In addition, his experience within the recruitment and reward sector is invaluable to the Board and its Remuneration Committee.

Career

Nick was formerly a Managing Director of Lehman Brothers in London, where he headed the European Financial Institutions Group until 2001, moving to the role of Global Co-Head of Recruitment, Training and Career Development until his retirement in 2003. Nick has also held executive positions at JP Morgan & Co and Salomon Brothers, and was previously the Chairman of Miller Insurance Investment Limited and a non-executive director of Quayle Munro plc.

External appointments

Nick is Chairman of Longbow Capital LLP and Miller Insurance Services LLP and holds a non-executive directorship at Catlin Group Limited.

Committee membership

Remuneration Committee (Chairman)
Investment Oversight Committee
Nomination Committee
Risk and Compliance Committee

Roger Perkin – Independent non-executive director

Appointed May 2013.

Skills, competencies and experience

Roger has a strong audit and regulatory background having been a partner at Ernst & Young LLP until 2009. With 40 years of experience in the accounting profession his current direct experience of the financial services and regulatory environment is invaluable.

Experience

Roger advised boards across the spectrum of financial services during his time at Ernst & Young, including banking, insurance, fund management and private equity companies. He was a non-executive director at The Evolution Group plc until its acquisition in December 2011. Roger is a Fellow of the Institute of Chartered Accountants of England and Wales.

External appointments

Roger is currently a non-executive director of the Nationwide Building Society where he is the Senior Independent Director. He also holds non-executive directorships at Electra Private Equity plc and Tullett Prebon plc. Roger is also a trustee of two charities, Chiddingstone Castle and Crime Reduction Initiatives.

Committee membership

Audit Committee

Robin Phipps – Independent non-executive Director

Appointed March 2013.

Skills, competencies and experience

Robin has extensive knowledge of the life insurance and pensions industry and brings significant knowledge of the heritage Friends business to the Board, having been a non-executive director of Friends Provident plc. Robin is chairman of the With Profits Committee of Friends Life Limited. Robin will reach six years tenure as a director of the Company in 2014. Further details of the Nomination Committee's review of his position as an independent non-executive director can be found on pages 8 to 9 of this document.

Career

Robin was a member of the board of Legal & General Group plc from 1996 to 2007, holding the position of Group Director UK. Prior to his appointment as a director, he held various senior roles within Legal & General Group plc. Robin has also been a Non-Executive Director of GE Money Credit Cards and a Senior Adviser (Financial Services) of Ernst & Young.

External appointments

Robin holds non-executive directorships at IFG Group plc and Arrow Global Group plc.

Committee membership

Audit Committee

Risk and Compliance Committee

Belinda Richards – Independent non-executive Director

Appointed March 2013.

Skills, competencies and experience

Belinda has a wealth of insight and experience in the financial and insurance sectors with a particular emphasis on strategic and operational transformation. Belinda also brings her recent direct experience of the UK regulated environment and life company insurance industry to the Board of the Company and Friends Life Limited.

Career

Belinda was previously a senior Corporate Finance partner for ten years at Deloitte LLP where she was the Global Head of Merger Integration and Separation Advisory Services. Clients at Deloitte included a number of leading UK and global banks and insurance companies. Prior to Deloitte, Belinda was Vice President at Cap Gemini Ernst & Young.

External appointments

Belinda holds non-executive directorships at Grainger plc, where she is Chairman of the Audit Committee and a member of the Risk and Compliance and Nomination Committees and also at Balfour Beatty plc where she is a member of the Audit, Risk and Assurance Committee, the Nomination Committee and the Business Practices Committee. Belinda is also a member of the Governing Council of the Centre for the Study of Financial Innovation.

Committee membership

Nomination Committee

Risk and Compliance Committee

Karl Sternberg – Independent non-executive Director

Appointed March 2013.

Skills, competencies and experience

Karl brings the benefit of his considerable investment and financial sector experience to the Board. He also provides extensive executive knowledge of investment strategy and global markets.

Career

Karl spent his early career at Mercury Asset Management and Barclays de Zoete Wedd, followed by twelve years at Morgan Grenfell which became part of Deutsche Asset Management, where he held a number of Chief Investment Officer roles in different regions. Karl was a founding partner of Oxford Investment Partners Limited, which he continues to advise.

External appointments

Karl is Chairman of JP Morgan Income & Growth Trust plc, a director of Lowland Investment Company plc and a director of The Monks Investment Trust plc. Karl is also a member of the Governing Body of Christ Church Oxford.

Committee membership

Investment Oversight Committee (Chairman)

Audit Committee

Tim Tookey – Chief Financial Officer

Appointed March 2013.

Skills, competencies and experience

Tim is an experienced CFO having held a number of senior positions in the financial services and insurance sector. Tim has considerable knowledge of working in highly regulated environments and applies this experience to the Board. Tim is a Fellow of The Institute of Chartered Accountants in England and Wales.

Career

Tim has held positions at Lloyds Banking Group including Interim Group Chief Executive Officer between November 2011 and January 2012, Group Finance Director from 2008 to 2012, and Deputy Group Finance Director from 2006. Prior to his time at Lloyds, Tim was Finance Director at Prudential UK. Tim was instrumental in the development of Heath Lambert, the insurance broker where he was Finance Director. Before his corporate roles, Tim qualified as a chartered accountant at KPMG.

Tim was Chairman of the Audit and Remuneration Committees of the British Bankers' Association from 2008 to 2012.

External appointments

Tim is a member of the Development Strategy Board of the Zoological Society of London.

Committee membership

None

Tim Wade – Independent non-executive Director

Appointed May 2010.

Skills, competencies and experience

Tim has many years experience in the UK and International financial services sector and is a qualified lawyer and accountant with current and relevant financial expertise. Tim was closely involved in the rationalisation of the life insurance industry in Australia and is well placed to provide guidance to the Board on all facets of the life insurance sector.

Career

Up until 2002 Tim was a Managing Director of the financial services company, AMP Limited. Before that, Tim was CFO of Colonial Limited during its demutualisation and listed phase. From 1984 until 1994, Tim worked at Arthur Andersen in Melbourne and Singapore where he became a Partner in 1992.

External appointments

Tim is currently non-executive director and Chairman of the Audit Committee of Macquarie Bank International Limited and Monitise Plc, non-executive director and Chairman of the Credit and Remuneration Committees of Access Bank UK Limited, non-executive director of ACE European Group Limited and Chairman of the Coeliac Society.

Committee membership

Audit Committee (Chairman)
Risk and Compliance Committee

Sir Malcolm Williamson, Chairman

Appointed Chairman Designate in March 2013 and as Chairman of the Board in May 2013.

Skills, competencies and experience

Sir Malcolm has over 50 years experience in the insurance and banking sectors, having held Board positions in an executive and non-executive capacity in a variety of financial services companies. Sir Malcolm brings considerable strategic and leadership experience to the Board together with substantial knowledge of the regulated financial services environment.

Career

Sir Malcolm has previously served as Chairman of Clydesdale Bank plc, National Australia Group Europe Limited, CDC Group plc, and Britannic Group plc. Sir Malcolm was Deputy Chairman of Resolution plc until 2008 and has held a number of other non-executive roles. Prior to this, he held executive positions as President and CEO of Visa International and Group Chief Executive of Standard Chartered plc.

External appointments

Sir Malcolm is Chairman of Cass Business School's Strategy and Development Board and Chairman of Invicta Card Services Limited. He is also Chairman of the Board of Trustees of The Prince of Wales Youth Business International Limited and of the Governing Council of the Centre for the Study of Financial Innovation.

Committee membership

Nomination Committee (Chairman)
Remuneration Committee

APPENDIX 2

Summary of the Resolution Limited Performance Share Plan

1. General

The Resolution Limited Performance Share Plan (the “**PSP**”) will enable selected executive directors and employees of the Company and its subsidiaries (the “**Group**”) to be granted awards (“**Awards**”) in respect of ordinary shares in the capital of the Company (“**Shares**”). Awards granted under the PSP are not transferable (except on death). Benefits under the PSP are not pensionable benefits.

The operation of the PSP will be overseen by the Remuneration Committee (the “**Committee**”), which consists entirely of non-executive directors.

Awards granted under the PSP will normally be structured as conditional awards although the rules permit awards to be structured as nil-cost options to acquire Shares for no cost (which may normally be exercised up to the tenth anniversary of the award date). The vesting of Awards will be subject to performance conditions (“**Performance Conditions**”) measured over a period (the “**Performance Period**”). Awards under the PSP may be satisfied by new Shares, Shares purchased in the market or by the transfer of treasury Shares.

2. Eligibility

Under the PSP all employees of the Group (including executive directors of the Company) are eligible to participate at the discretion of the Committee.

3. Grants of Awards

Awards under the PSP may be granted in the period of 42 days starting on any of the following:

- the date of approval of the PSP by the Company’s shareholders at the 2014 annual general meeting;
- the day following the announcement by the Company of its results for any period.

In addition, Awards may be made at any other time when the Committee considers that exceptional circumstances exist which justify the grant of Awards.

No payment will be required for the grant of an Award. No Awards may be granted more than 10 years after the Company’s shareholders have approved the establishment of the PSP.

4. Individual Limits

The maximum number of Shares that may be awarded to a participant in any financial year will be limited so that the market value of such Shares on the award date will not exceed 200% (or 300% if the circumstances are, in the view of the Committee sufficiently exceptional) of the individual’s base salary. If the Committee is prevented from making any award to an individual in a financial year as a result of Model Code or similar constraints, the annual limit will carry forward to permit a larger award to be made in a subsequent year at a time when the Model Code or similar constraints no longer apply.

5. Dilution Limits

Awards may be granted over unissued or existing Shares. No Award may be granted under the PSP if it would cause the number of new Shares issued or issuable pursuant to awards and options granted in the preceding 10 calendar years under any of the Resolution Group share plans to exceed 10% of the Company’s issued ordinary share capital at the proposed date of grant. A similar limit of 5% of the Company’s issued share capital over 10 years will apply to awards and options granted under the Company’s executive or discretionary share plans.

As is normal, if Awards are to be satisfied by a transfer of existing Shares (including Shares held by an employees’ share trust), the percentage limit stated above will not apply.

For so long as it is required by institutional shareholder guidelines, these dilution limits will also apply to Awards satisfied by the transfer of treasury Shares.

6. Vesting of Awards

Following the determination of Performance Conditions for any Awards, the Shares subject to Awards will vest and be released on such basis as the Committee specifies for each award (being not earlier than the third anniversary of the award date).

In determining the release timetable for Awards, the Committee will consider evolving practice prior to granting each Award. For the initial Awards, the vesting will be as follows:

- 50% of calculated Shares will vest and, in the case of nil-cost options, be available for exercise from the date on which the Committee determines that any performance conditions have been met but not earlier than the third anniversary of the award date; and
- the remaining 50% of calculated Shares will vest and, in the case of nil-cost options, be available for exercise from the fourth anniversary of the award date.

In certain circumstances, Awards may be settled with cash of an equivalent value.

7. Performance Conditions

Awards will be subject to Performance Conditions. For Awards proposed to be made in 2014, the Performance Conditions can be summarised as follows:

Proposed Performance Conditions for 2014 PSP Awards

Performance Condition	TSR	EV	FSG
% of Total Award Shares subject to this Performance Condition	50% of Award Shares	25% of Award Shares	25% of Award Shares
Full vesting performance level (100% vesting of this part)	Upper quintile	Maximum target	Maximum target
Between Full vesting performance and Threshold vesting performance	Vesting on a straight-line basis by interpolation between rankings	Vesting on a straight-line basis	Vesting on a straight-line basis
Threshold Vesting Performance Level (20% vesting of this part)	Median	Threshold target	Threshold target

For each metric, there will be nil vesting of the relevant part of the Award for performance beneath the threshold vesting level shown above. The actual performance range for the EV and FSG measures will be set by the Committee shortly prior to the grant of these awards after consultation with the Company's largest shareholders and will be disclosed in the Company's Directors' Remuneration Report for 2014. Each Performance Condition applies separately to the portion of the Award to which it relates.

The core parameters of each Performance Condition are as set out below.

TSR – the TSR Performance Condition will compare the Company's TSR performance relative to that of a comparator group being the constituents of the FTSE 350 Index (excluding Investment Trusts (and excluding the Company itself)) at the commencement of the Performance Period. The Performance Period for the TSR Performance Condition will be a period of 3 years beginning with the date of grant. For the purposes of measuring the TSR Performance Condition, the Company's TSR and that of the comparator group constituents will be averaged over a period of 1 month prior to the beginning and the end of the Performance Period. For performance between median and upper quintile levels, vesting will be by straight-line interpolation by ranking.

EV – the EV Performance Condition will measure the Company's reported MCEV for the final year of the performance period using the figure directly taken from the published accounts as adjusted for any subsequent change in methodology. Any dividends paid will be added back and the impact of any share buy backs adjusted for (but without crediting any return on such expenditure).

FSG – the FSG Performance Condition will measure the Company's aggregate Total Group Free Surplus Generated over the performance period with the figure again directly taken from the published accounts and using the current definition with discretion to adjust for any changes in approach; this measure is before dividends and buy-backs.

In addition, Awards will be subject to an underpin that the Committee is satisfied that the relevant performance condition is reflective of the underlying financial performance of the Company.

The Performance Period for both the EV and FSG Performance Conditions for initial Awards will be a period of three financial years beginning with the 2014 financial year.

As is normal, the Committee can set different Performance Conditions from those described above for future Awards provided that, in the reasonable judgement of the Committee, the new Performance Conditions are similarly stretching, having regard to the Company's historic performance and future plans.

The Committee may also vary the Performance Conditions applying to existing Awards to take account of factors which, in the opinion of the Committee, are relevant and cause the original Performance Condition to no longer be a fair measure, provided that the amended Performance Condition shall, in the opinion of the Committee, be substantially as challenging as the original Performance Condition.

8. **Cessation of Employment**

Normally, if a participant leaves the Group, his or her unvested Awards will lapse.

In "good leaver" cases of death, injury, ill-health or disability, statutory redundancy, retirement (with the agreement of his or her employer), the sale of a business or subsidiary, or otherwise at the Committee's discretion, Awards will be retained as follows:

- unvested Awards will be retained until the normal vesting dates and will vest to the extent the Performance Conditions are achieved. The number of Shares which vest will also be reduced on a time pro-rata basis (measured until the third anniversary of the award date);
- calculated Shares will then be released following the third (50% of Shares) and fourth (50% of Shares) anniversaries of the award date, with, in the case of nil-cost options, exercise available for 12 months from the respective vesting dates; and
- standard discretions will also be available to the Committee to (1) allow early release of vested Shares to good leavers (applying Performance Conditions and time pro-rating), and (2) to disapply (in whole or in part) the impact of time pro-rating if the Committee considers this to be appropriate.

For all participants, vested (but unexercised) Awards held at termination will be retained for the shorter of when they would have lapsed but for the termination and 12 months following termination.

9. **Takeover, Reconstruction etc.**

In the event of a takeover of the Company, a scheme of arrangement or a winding-up of the Company, unvested Awards can vest subject to the application of the applicable Performance Conditions measured up until the time of the relevant event. The vesting of Award Shares on such an event will also be subject to a time pro-rating requirement by reference to the original 3 year vesting period.

Additionally, in the event of a demerger or special dividend which may affect the current or future value of an Award, the Committee may determine that a proportion of any unvested Awards may vest, calculated on the same basis as for other corporate events.

Where there is a takeover or other corporate event, the Committee will retain a discretion to adjust vesting outcomes by disapplying (in whole or part) the application of time pro-rating.

Internal reorganisations do not automatically trigger the vesting of Awards.

10. **Variations of Capital**

If there is a variation in the share capital of the Company (such as a rights or capitalisation issue, sub-division, consolidation or reduction) or the implementation by the Company of a demerger, the payment of a special dividend or a similar event that materially affects the value of Shares, the Committee may adjust the number of shares subject to Awards. If appropriate, the Committee may also adjust the Performance Conditions for Awards in these circumstances.

11. **Rights attaching to Shares**

Awards will not confer any shareholder rights, such as the right to vote the Shares or to receive any dividend, until a participant has received the Shares after vesting or, in the case of an option, after exercise.

The Committee may decide that a participant will be entitled to receive a payment in Shares (and/or cash) when he or she receives his or her vested Shares of an amount equivalent to any dividends payable in relation to the vested Shares over the

period from the award date until the relevant vesting date. Alternatively, the Committee may grant an Award on the basis that the number of Shares under that Award will increase by assuming re-investment of dividends in further Company Shares.

Shares allotted or transferred under the PSP will rank alongside Shares of the same class then in issue.

12. **Clawback**

The Committee retains a power to reduce the potential vesting of Awards (including to zero) (often referred to as malus) or to recoup the value of previously vested Awards (often referred to as clawback) from an individual within 3 years of the date on which the Committee determines that any Performance Conditions have been satisfied, if it considers it appropriate to do so. The Committee may choose to exercise this power in circumstances including:

- a review of the performance of a participant, his business unit or the Company;
- a material misstatement of financial results of the Company or a member of the Group;
- a material failure of risk management by the participant, his business unit or the Company;
- any other circumstances which, in the Committee's opinion, have (or would if made public have) a sufficiently significant impact on the reputation of the Company or a business unit to justify the operation of clawback.

13. **Amendments**

The Committee may amend the PSP. However, the provisions governing eligibility requirements, equity dilution, individual award levels, the basis for determining participants' rights to acquire, and the terms of, Shares and the adjustments that may be made following a rights issue or any other variation of capital cannot be altered to the advantage of participants without the prior approval of the Company's shareholders in general meeting. There is an exception for minor amendments to benefit the administration of the PSP, to take account of a change in legislation or developments in the law affecting the PSP or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the PSP or for any member of the Group. Any amendment that is to the material disadvantage of participants in relation to Awards already granted to them requires their majority consent.

Notes:

1. Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote on their behalf at the AGM whether by show of hands or on a poll. A proxy need not be a shareholder of the Company. A shareholder may appoint more than one proxy provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. To appoint more than one proxy please follow the instructions set out in the Form of Proxy. If you do not have a Form of Proxy and believe that you should have one, or if you require additional forms, please contact Computershare either on +44 (0)870 707 1444, by email to info@computershare.co.je or in writing to Computershare Investor Services (Jersey) Limited, Queensway House, Hilgrove Street, St Helier, Jersey, JE1 1ES.
2. To be valid, the Form of Proxy or other instrument appointing a proxy (together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority) must be received by the Company's proxy processing agent, Computershare Investor Services PLC ("**Computershare**") at The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ, by no later than 11.00am on Tuesday 6 May 2014, either in hard copy form, by post, by courier or by hand.
3. If you would like to submit your Form of Proxy electronically, you may do so by going to the Investor Relations page at www.resolution.gg. You will need your Shareholder Reference Number and PIN, both of which can be found on the Form of Proxy sent to you.
4. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
5. If you submit more than one valid proxy appointment, the appointment received last prior to the deadline for the receipt of proxies will take precedence.
6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
7. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Computershare (ID number 3RA50) by 11.00am on Tuesday 6 May 2014. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which Computershare is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
8. CREST members and, where applicable, their CREST sponsors, or voting service providers, should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Therefore, normal system timings and limitations will apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed (a) voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
9. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 and the Company's Articles of Incorporation.
10. The return of a completed Form of Proxy or any CREST Proxy Instruction will not prevent a shareholder attending the AGM and voting in person if he/she wishes to do so.
11. The Company specifies that, pursuant to Article 18.6 of the Articles of Incorporation of the Company (the "**Articles**"), only those shareholders included in the register of members as at 6.00pm on Tuesday 6 May 2014 or, in the event that the

AGM is adjourned, in the register of members 48 hours before the time of the adjourned AGM, shall be entitled to attend and vote at the meeting (or any adjourned meeting) in respect of the number of shares registered in their name at that time. Changes to the register of members after 6.00pm on 6 May 2014 or, in the event that the AGM is adjourned, in the register of members 48 hours before the time of the adjourned AGM, shall be disregarded in determining the rights of any person to attend or vote at the AGM (or the adjourned AGM).

12. In accordance with Article 18.15 of the Articles, any corporation which is a shareholder may appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder, as if the corporation were an individual shareholder, provided that they do not do so in relation to the same shares and provided that on a poll vote if two or more corporate representatives of the same shareholder purport to exercise a power in respect of the same shares, then (i) if they exercise the power in the same manner, it shall be exercised in such manner, but (ii) if they exercise the power in a different manner, it shall be deemed not to have been exercised.
13. Indirect holders (who hold shares via a stockbroker or other nominee) have been sent this document for information only, but may have the right to be appointed a proxy by the registered shareholder to attend, speak and vote at the AGM, and may also be able to give voting instructions to the registered shareholder via a stockbroker or nominee administrator.
14. Resolution Limited Share Account holders should complete the Form of Instruction and return it to Computershare at The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ or give instructions online by going to the Investor Relations page at www.resolution.gg by no later than 11.00am on Friday 2 May 2014. Forms of Instruction can be requested from Computershare on +44 (0)870 707 1444, by email to web.queries@computershare.co.uk, or in writing to The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ.
15. Voting on each resolution will be conducted by way of a poll rather than on a show of hands. The Company believes that a poll is more representative of the shareholders' voting intentions because shareholder votes are counted according to the number of shares held and all votes tendered are taken into account. The results of the poll will be announced to the London Stock Exchange and will be made available on the Company's website at www.resolution.gg as soon as practicable following the conclusion of the AGM.
16. Shareholders may at any time choose to receive all shareholder documents in electronic format via the internet, rather than through the post in hard copy format. Shareholders who decide to register for this option will receive an email notification each time a statutory document is published on the Company's website. To register for this service, please contact Computershare, at The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ or register your e-mail address on the Shareholder Information section of the Company's website at www.resolution.gg.
17. If shareholders opt to receive email notifications, the Company's obligation to notify shareholders will be satisfied when it transmits the notification that documents are available on the website to the email address most recently provided. The Company cannot be held responsible for any failure in transmission beyond its control. The Company reserves the right to send hard copy documents to shareholders at any time: for example, where overseas securities laws do not permit electronic communications; or in other circumstances where the Company considers that electronic delivery may not be appropriate. Shareholders resident outside the European Economic Area are responsible for ensuring that they may validly receive shareholder documents electronically without the Company or the Company's registrars being required to comply with any governmental or regulatory procedures or any similar formalities.
18. Any electronic address provided in this or any other related document (including Form of Proxy) may not be used to communicate with the Company for any purposes other than those expressly stated.
19. A copy of the service contracts of executive directors, the letters of appointment of non-executive directors and the proposed rules of the Resolution Limited Performance Share Plan are available for inspection at an agreed time during normal business hours on any weekday (excluding public holidays) at the Company's registered office, and at Friends Life, One New Change, London, EC4M 9EF. They will also be available at the AGM venue, 15 minutes prior to the start of the AGM until its conclusion.
20. The total issued share capital of the Company as at 2 April 2014, being the latest practicable date prior to publication of this Notice, is 1,418,109,028 ordinary shares, none of which are held in treasury. Therefore, the total number of voting rights in the Company as at the date of this Notice is 1,418,109,028.
21. A copy of this Notice, the Company's Annual Report and other shareholder documents can be found on the Company's website at www.resolution.gg by going to the Investor Relations page.
22. Any member attending the meeting has a right to ask questions. The Company must provide an answer to any such

questions relating to the business being dealt with at the meeting but no such answer need be given if (i) to do so would interfere unduly with the preparation for the meeting or involve discussion of confidential information, (ii) the answer has already been given on a website in the form of an answer to a question, or (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

23. Important dates:

Date	Event
2 April 2014	Shares in the Company quoted ex-dividend
4 April 2014	Record date for the final dividend
24 April 2014 (5.00pm)	Deadline for DRIP election forms
24 April 2014 (5.00pm)	Deadline for mandate instructions (in paper form)
24 April 2014 (5.00pm)	Deadline for Dividend Election Input Messages (CREST holders)
28 April 2014 (5.00pm)	Deadline for mandate instructions (online)
8 May 2014 (11.00am)	Annual General Meeting of the Company
16 May 2014	Final dividend payment date and market purchase of shares
29 May 2014	Share certificates posted to register or CREST account credited

