

# Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Admiral Group plc will be held on Wednesday 18 May at 11.00am at The Celtic Manor Hotel, Coldra Woods, Newport, South Wales, NP18 1HQ.

## Ordinary Business

1. To receive the reports of the directors and the audited accounts of the Company for the year ended 31 December 2004
2. To approve the directors' remuneration report set out on pages 28 to 30 for the year ended 31 December 2004
3. To declare a final dividend on the ordinary shares of the Company for the year ended 31 December 2004 of 9.3 pence per ordinary share
4. To re-elect Alastair Lyons CBE (Non-executive Chairman and a member of the Nominations Committee) as a director of the Company
5. To re-elect Henry Engelhardt (Chief Executive Officer) as a director of the Company
6. To re-elect David Stevens (Chief Operating Officer) as a director of the Company
7. To re-elect Andrew Probert (Finance Director) as a director of the Company
8. To re-elect Manfred Aldag (Non-executive director and member of the Nominations Committee) as a director of the Company
9. To re-elect Martin Jackson (Non-executive director, Chairman of the Audit Committee and member of the Remuneration Committee) as a director of the Company

10. To re-elect Keith James OBE (Non-executive director, Chairman of the Nominations Committee and member of the Audit Committee) as a director of the Company

11. To re-elect John Sussens (Senior Independent Non-Executive Director and Chairman of the Remuneration Committee) as a director of the Company

Martin Jackson and John Sussens have joined the Board during the last year and none of the other current directors of the Company submitted themselves for retirement and re-election at the two Annual General Meetings of the Company that took place prior to the listing. Accordingly, as a matter of good order, all of the current directors of the Company believe that they should retire and submit themselves for re-election at this Annual General Meeting, the first such meeting following the listing.

Biographical details of all of the directors may be found in the Annual Report of the Company on pages 35 to 36.

12. To re-appoint KPMG Audit plc as the auditor of the Company from the conclusion of this meeting until the conclusion of the next General Meeting at which accounts are laid and to authorise the directors to determine their remuneration

## Special Business

To consider and, if thought fit, to pass the following resolution which will be proposed as an Ordinary Resolution:

13. That the directors be generally and unconditionally authorised pursuant to Section 80 of the Companies Act 1985 (the "Act") to exercise all the powers of the Company to allot

relevant securities (within the meaning of that section) up to an aggregate nominal amount of £86,200 provided that this authority shall expire (unless previously renewed, varied or revoked by the company in General Meeting) 15 months after the date of the passing of this resolution, or, if earlier, at the conclusion of the next Annual General Meeting of the Company after the date of the passing of this resolution, but so that this authority shall allow the Company to make before the expiry of this authority offers or agreements which would or might require relevant securities to be allotted after such expiry and notwithstanding such expiry the directors may allot relevant securities in pursuance of such offers or agreements

Section 80 of the Companies Act 1985 provides that the directors of a company cannot issue new shares in its capital without the approval of its shareholders. Accordingly, the purpose of this resolution is to give the directors of the Company authority to issue new shares in the capital of the Company up to a maximum amount of £86,200, which is approximately equivalent to 33.3% of the issued share capital of the Company as at 11 April 2005. Authority for this already exists by virtue of a resolution dated 17 September 2004. However, the directors feel that as a matter of good order it should be reaffirmed. This resolution will allow the directors of the Company flexibility to act in the best interests of the Company and its shareholders by issuing new shares in appropriate circumstances.

To consider and, if thought fit, to pass the following resolutions which will be proposed as Special Resolutions:

14. Subject to passing Resolution 13, that the directors be and they are hereby empowered pursuant to section 95 of the Act to allot equity securities (as defined in section 94(2) of the Act and as amended by the Regulations) for cash pursuant to the authority conferred by Resolution 13 above as if section 89(1) of the Act did not apply to such an allotment provided that this power shall be limited to the allotment of such equity securities:

- a) in connection with an offer of equity securities by way of rights to the holders of the ordinary shares in proportion (as nearly as may be practicable) to their holdings on a record date fixed by the directors (but subject to exclusions or other arrangements as the directors may consider necessary or expedient to deal with any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange in any territory or in connection with fractional entitlements or otherwise howsoever) and
- b) otherwise than pursuant to subparagraph a) above up to a maximum aggregate nominal amount equal to £12,930

Provided that this power shall, unless previously revoked or varied by special resolution of the Company in General Meeting, expire 15 months after the date of the passing of this resolution or, if earlier, at the

conclusion of the next Annual General Meeting of the Company after the date of the passing of this resolution save that the Company may, before the expiry of such power, make offers or agreements which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offers or agreements as if the power conferred hereby had not expired.

For the purposes of this resolution, the "Regulations" means The Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003.

Section 89 of the Companies Act 1985 gives existing shareholders in a company certain pre-emption rights with respect to allotments of new shares. A company can only disapply these rights with the approval of its shareholders. Accordingly the purpose of this resolution is to allow the directors of the Company to allot ordinary shares in the Company for cash, or to transfer treasury shares for cash, other than to its existing shareholders on a pre-emptive basis up to a maximum amount of £12,930 which is equivalent to 5% of the issued ordinary share capital of the Company as at 11 April 2005 and is in line with the recommended guidelines issued by institutional investor bodies. As with Resolution 13, authority already exists for this by virtue of a resolution dated 17 September 2004. However, the directors feel that as a matter of good order it should be reaffirmed.

15. That the Company be generally and unconditionally authorised to make one or more market purchases (within

the meaning of Section 163(3) of the Companies Act 1985) on the London Stock Exchange of ordinary shares of 0.1p in the capital of the Company (ordinary shares) provided that:

- a) the maximum aggregate number of ordinary shares authorised to be purchased is 12,900,000 (representing 4.99% of the issued ordinary share capital)
- b) the minimum price which may be paid for an ordinary share is 0.1p
- c) the maximum price which may be paid for an ordinary share is an amount equal to 105% of the average of the middle market quotations for an ordinary share as derived from The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the ordinary share is purchased, exclusive of expenses
- d) the authority conferred by this resolution shall, unless renewed, expire on the date falling 15 months after the date of the passing of this resolution, or, if earlier, at the conclusion of the next Annual General Meeting of the Company and
- e) the Company may make a contract to purchase ordinary shares under this authority before the expiry of the authority which will or may be executed wholly or partly after the expiry of the authority, and may make a purchase of ordinary shares in pursuance of any such contract

## NOTICE OF ANNUAL GENERAL MEETING

The directors consider, in certain circumstances, that it may be appropriate and in the best interest of shareholders generally for the Company to purchase its own shares. This resolution gives authority for the Company to purchase up to 12,900,000 ordinary shares which is approximately equivalent to 4.99% of the issued share capital of the Company as at 11 April 2005. The directors have no specific plans to exercise any authority granted by this resolution, but will keep the matter under review and will only make purchases where, in the light of prevailing market conditions, they consider it will result in an increase in earnings per ordinary share in the Company.

The Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 (which came into force on 1 December 2003) enable companies to retain any of their own shares they have purchased as treasury shares with a view to their possible re-issue at a later date, rather than cancelling them as the law previously required. The Company will consider holding any of its own shares that it purchases pursuant to this resolution as treasury shares, which will give the directors flexibility in the management of the capital base of the Company. No dividends will be paid on treasury shares while held in treasury, and no voting rights will attach to them.

**16. That the Articles of Association of the Company be amended by the deletion of Article 168.1 and the substitution therefore of the following:**

**“168.1 Subject to the provisions of the Act, but without prejudice to any indemnity to which he may be otherwise entitled, each director, alternate director, secretary or other officer of the Company may, at the discretion of the Board, be indemnified out of the assets of the Company against all costs, charges, losses, damages and liabilities incurred by him in the actual or purported execution and/or discharge of his duties or exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office, provided that this Article 168.1 shall be deemed not to provide for, or entitle any such person to, indemnification to the extent that it would cause this Article 168.1, or any element of it, to be treated as void under the Act.”**

The Companies (Audit, Investigations and Community Enterprise) Act 2004 makes changes to section 310 of the Companies Act 1985 in relation to the indemnification of directors by companies for liabilities arising in connection with the performance of their functions. Consequently the Company will be able, at the discretion of the Board and subject to the Companies Act 1985, to indemnify the directors for costs and losses incurred by them in facing and defending liability in civil, criminal and regulatory proceedings. This change comes into force on 6 April 2005.

### Recommendation

Your Board considers each of the proposed resolutions to be in the best interests of the Company and its shareholders as a whole. Accordingly, your directors unanimously recommend that you vote in favour of the resolutions as they intend to do in respect of their own beneficial shareholdings.

By order of the Board



Stuart Clarke  
Company Secretary  
11 April 2005

REGISTERED OFFICE  
Capital Tower  
Greyfriars Road  
Cardiff CF10 3AZ  
Registered No. 3849958

## Notes

1. A member entitled to attend and vote at the Annual General Meeting ('AGM') may appoint a proxy (who need not be a member of the Company) to attend and, on a poll, to vote on his or her behalf. In order to be valid an appointment of proxy must be returned by one of the following methods:

- in hard copy form by post, by courier or by hand to the Company's registrars, Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or
- if you hold your shares in certificated form and have your share certificate to hand, online at [www.capitaregistrars.com](http://www.capitaregistrars.com) by following the instructions provided or
- in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below

and in each case instructions must be received not less than 48 hours before the time of the meeting. Appointment of a proxy does not preclude a member from attending the meeting and voting in person.

2. For an appointment of proxy returned in hard copy to be valid, it must be completed and deposited (together with any power of attorney or other written authority under which it is signed or a copy of such authority notarially certified or in some other way approved by the directors) with Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, not less than 48 hours before the meeting.
3. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST

Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting 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. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it relates to the appointment of a proxy or to 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 the issuer's agent (ID RA10) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. 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. CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore 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 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 service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

4. In the case of joint holdings, only one holder may sign and the vote of the senior who tenders a vote shall be accepted to the exclusion of the votes of the other joint holders, seniority for this purpose being determined by the order in which the names stand in the Register of members in respect of joint holdings.
5. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, in order to be able to attend and vote at the AGM or any adjourned meeting, (and also for the purposes of calculating how many votes a person may cast), a person must have his/her name entered on the register of members of the Company by 6.00pm on **16 May 2005** (or 6.00pm on the date two days before any adjourned meeting). Changes to entries on the register of members after this time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
6. The register of Directors' interests kept by the Company under Section 325 of the Companies Act 1985 will be available for inspection at the meeting from 10.45am until the conclusion of the meeting.
7. Copies of the executive directors' service contracts and the non-executive directors' terms of appointment will be available for inspection at the meeting from 10.45am until the conclusion of the meeting.