

**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 should seek your own advice from your stockbroker, solicitor, accountant or other independent adviser authorised under the Financial Services and Markets Act 2000.**

**If you have sold or otherwise transferred all your shares in ADMIRAL GROUP PLC (the Company), please forward this document, together with the accompanying documents, to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.**

**ADMIRAL GROUP PLC**

*(Registered in England and Wales No. 3849958)*

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE OF THE 2009 ANNUAL GENERAL MEETING AND A LETTER FROM YOUR CHAIRMAN, INCLUDING AN EXPLANATION OF THE SPECIAL BUSINESS TO BE CONDUCTED AT THAT MEETING, WHICH IS TO BE HELD ON TUESDAY 28 APRIL 2009 AT 3PM AT CAPITAL TOWER, GREYFRIARS ROAD, CARDIFF CF10 3AZ, WALES, IS SET OUT ON PAGES 2 TO 16 OF THIS DOCUMENT.**

*Whether or not you propose to attend the Annual General Meeting, please complete and submit the enclosed Form of Proxy in accordance with the instructions printed on it. The Form of Proxy must be completed, signed and returned so as to reach the Company's Registrars by no later than 3.00 p.m. on Sunday 26 April 2009.*

## ADMIRAL GROUP PLC

*(Incorporated in England and Wales with registered number 3849958)*

*Directors:*

*Alastair Lyons (Chairman)  
Henry Engelhardt  
David Stevens  
Kevin Chidwick  
Manfred Aldag  
Martin Jackson  
Keith James  
John Sussens  
Margaret Johnson  
Lucy Kellaway*

*Registered office:*

*Capital Tower  
Greyfriars Road,  
Cardiff CF10 3AZ*

27 March 2009

Dear Shareholder

### **Notice of Annual General Meeting of ADMIRAL GROUP PLC (the Company)**

I am writing to inform you that the Annual General Meeting (the **AGM**) of the Company will be held at Capital Tower, Greyfriars Road, Cardiff CF10 3AZ, Wales, on Tuesday 28 April 2009 at 3.00 p.m. The formal notice of the AGM and resolutions to be proposed are set out on pages 11 to 16 of this document.

The notes on the following pages give an explanation of the proposed resolutions. Resolutions 1 to 12 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 13 to 17 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

### **Ordinary business**

#### **Annual report and accounts (Resolution 1)**

The Directors present to Shareholders at the AGM the annual report and accounts for the year ended 31 December 2008 together with the Directors' and Auditors' reports on the annual report and accounts.

#### **Directors' Remuneration Report (Resolution 2)**

Shareholders will be asked to receive and approve as an ordinary resolution the Directors' Remuneration Report for the year ended 31 December 2008. The Directors' Remuneration Report is set out in full in the annual report and accounts.

#### **Dividends (Resolution 3)**

A final dividend of 26.5 pence per ordinary share is recommended by the Directors for payment to shareholders on the register of members of the Company at close of business on 5 May 2009. Subject to approval of shareholders at the AGM this dividend will be paid on 27 May 2009.

### **Reappointment of Directors (Resolutions 4, 5 and 6)**

According to the articles of association of the Company a minimum of one third of Directors (or if this is not a whole number, the nearest number not exceeding one third) should resign and offer themselves for re-election, therefore Henry Engelhardt, Kevin Chidwick and Manfred Aldag offer themselves for re-election to the Board.

Biographical details of all of the Directors may be found in the annual report of the Company.

### **Auditors (Resolutions 7 and 8)**

The Company is required at each general meeting at which accounts are presented to appoint auditors to hold office until the next such meeting. KPMG Audit plc have indicated their willingness to continue in office. Accordingly, resolution 7 reappoints KPMG Audit plc as auditors to the Company and resolution 8 authorises the Directors to fix their remuneration.

### **Special business**

#### **Senior Executive Restricted Share Plan, Approved Executive Share Option Plan and Non-Approved Executive Share Option Plan (Resolutions 9, 10 and 11)**

Whilst dilution under all of the Company's employee share incentive plans will remain capped at 10 per cent. of the Company's ordinary issued share capital over ten years these resolutions propose to delete the 5 per cent. of share capital dilution limit applicable to each of the individual plans over the same period. Removing this separate 5 per cent. limit will allow the Company to operate its executive share incentive plans more flexibly and, therefore, effectively.

It should be noted that the Company currently makes grants only under the Senior Executive Restricted Share Plan and an all-employee Share Incentive Plan.

As at 20 March 2009, the level of dilution since the Company's flotation on 28 September 2004 under all the Company's employee share incentive plans is 2.45 % of the number of ordinary shares in the capital of the Company in issue on 28 September 2004.

The rules of the share incentive plans as amended will be on display at the registered office of the Company and will also be available for inspection at the place of the annual general meeting of the Company for at least 15 minutes before and during the meeting.

#### **Authority of Directors to allot shares (Resolution 12)**

The authority given to the Directors to allot further shares in the capital of the Company requires the prior authorisation of the shareholders in general meeting under section 80 Companies Act 1985. This authority was given at the 2008 AGM and this resolution seeks to renew that authority. Upon the passing of resolution 12(i), the Directors will have authority to allot shares up to a maximum of £88,300 which is approximately 33 per cent. of the current issued share capital as at 20 March 2009, being the latest practicable date before the publication of this Notice. This authority will expire at the conclusion of the next annual general meeting of the Company. The Directors intend to renew such authority at successive annual general meetings of the Company.

In addition, in accordance with the recently updated guidance from the Association of British Insurers (ABI) on the expectations of institutional investors in relation to the authority of directors to allot shares, upon the passing of resolution 12(ii), the Directors will have authority to allot an additional number of ordinary shares up to a maximum of £88,300, which is approximately a further 33 per cent. of the current issued share capital as at 20 March 2009, being the latest practical date before the publication of this Notice. However, the Directors will only be able to allot those shares for the purposes of a rights issue in

which the new shares are offered to existing shareholders in proportion to their existing shareholdings. This authority will also expire at the conclusion of the next annual general meeting of the Company. The Directors intend to renew such authority at successive annual general meetings of the Company.

As a result, if resolution 12 is passed, the Directors could allot shares representing up to two-thirds of the current issued share capital pursuant to a rights issue. There are no current plans to use such an authority. However, if the Directors do conduct a rights issue and the number of shares issued exceeds one-third of the issued share capital and the monetary proceeds from the rights issue exceed one-third of the Company's pre-issue market capitalisation, then, in accordance with the ABI's guidance, the Directors will all offer themselves for re-election at the annual general meeting of the Company following the decision to make the rights issue.

### **Disapplication of pre-emption rights (Resolution 13)**

Resolution 13 renews the authority provided at the 2008 AGM and would authorise the Directors to disapply rights of pre-emption by allowing the Directors to allot shares for cash (i) by way of a rights issue (subject to certain exclusions), (ii) by way of an open offer or other offer of securities (not being a rights issue) in favour of existing shareholders in proportion to their shareholdings (subject to certain exclusions) and (iii) to persons other than existing shareholders up to an aggregate nominal value of £13,246 which is equivalent to approximately 5 per cent. of the issued share capital of the Company on 20 March 2009, being the latest practicable date prior to the printing of this Notice.

If given, the authority will expire at the conclusion of the next annual general meeting of the Company. The Directors intend to renew such power at successive annual general meetings of the Company.

The Directors have no current plans to allot shares, except in connection with the Group's employee share schemes.

In addition and in line with best practice, the Company has not issued more than 7.5 per cent. of its issued share capital on a non-pro-rata basis over the last three years.

The Directors do not intend to issue more than 7.5 per cent. of the issued ordinary share capital of the Company in any rolling three year period without prior consultation with shareholders.

### **Authority for the Company to purchase its own shares (Resolution 14)**

The Company's articles of association permit the purchase by the Company of its own shares subject to shareholders' prior approval being obtained.

This resolution also renews the authority provided at the 2008 AGM and is to authorise the Company to buy back up to 13,246,000 ordinary shares. If given, the authority will expire 15 months from the date of the passing of the resolution, or, if earlier, at the conclusion of the next annual general meeting of the Company. The Directors intend to renew this power at subsequent annual general meetings of the Company.

The resolution specifies the maximum number of ordinary shares which may be purchased (representing 5 per cent. of the Company's issued ordinary share capital as at 20 March 2009) and the maximum and minimum prices at which they may be bought, exclusive of expenses, reflecting the requirements of the Companies Act 1985 and the Listing Rules. Any buy back would only be made on the London Stock Exchange.

The Board has no present intention of exercising this power and the granting of this authority should not be taken to imply that any ordinary shares will be purchased. No purchase of ordinary shares will be made unless it is expected that the effect will be to increase earnings per share and the Board considers it to be in the best interests of all shareholders.

Under the Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003, the Company is allowed to hold up to 10 per cent. of its own shares in treasury following a buy back, instead of cancelling them as previously required. This gives the Company the ability to re-issue treasury shares quickly and cost-effectively (including pursuant to the authority under resolution 13 above) and provides the Company with additional flexibility in the management of its capital base. Such shares may be resold for cash but all rights attaching to them, including voting rights and any right to receive dividends are suspended whilst they are held in treasury. If the Board exercises the authority conferred by resolution 14, the Company will have the option of either holding in treasury or of cancelling any of its own shares purchased pursuant to this authority and will decide at the time of purchase which option to pursue.

As at 20 March 2009 being the latest practicable date before the publication of this Notice, the Company held no equity securities in treasury.

#### **Notice Period for meetings (Resolution 15)**

This resolution is required to reflect the proposed implementation in August 2009 of the Shareholder Rights Directive (the **Directive**). The regulation implementing this Directive will increase the notice period for general meetings of the Company to 21 days (unless certain criteria are met). The New Articles will allow the Company to call general meetings (other than an annual general meeting of the Company) on 14 clear days' notice and the Directors would like to preserve this ability once the Directive is implemented. In order to be able to do so after August 2009, shareholders must have approved the calling of meetings on 14 days' notice. Resolution 15 seeks such approval. The approval will be effective until the Company's next annual general meeting, when it is intended that a similar resolution will be proposed. The Company will also need to meet the requirements for electronic voting under the Directive before it can call a general meeting on 14 days' notice.

#### **New Articles of Association (Resolution 16)**

It is proposed in resolution 16 to adopt new articles of association (the **New Articles**) in order to update the Company's current articles of association (the **Current Articles**) primarily to take account of the implementation of the Companies Act 2006.

The principal changes introduced in the New Articles are summarised in the Appendix. Other changes, which are of a minor, technical or clarifying nature and also some more minor changes which merely reflect changes made by the Companies Act 2006 have not been noted in the Appendix. The New Articles showing all the changes to the Current Articles are available for inspection at the registered office of the Company and will also be published on the Company's website [www.admiralgroup.co.uk](http://www.admiralgroup.co.uk).

#### **Company's Memorandum of Association (Resolution 17)**

The Companies Act 2006 states that unless a company's articles provide otherwise, a company's objects are unrestricted. This abolishes the need for companies to have objects clauses. For this reason the Company is proposing to remove its objects clause together with all other provisions of its memorandum which, by virtue of the Companies Act 2006, are to be treated as forming part of the Company's articles of association as of 1 October 2009. Resolution 17 confirms the removal of these provisions for the Company.

#### **Action to be taken**

You will find enclosed a form of proxy for use at the AGM. Please complete, sign and return the enclosed form as soon as possible in accordance with the instructions printed thereon, whether or not you intend to be present at the AGM. Forms of proxy should be returned so as to be received by Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and in any event no later than 48 hours before the time appointed for holding the AGM.

**Recommendation**

Your Directors consider that all the resolutions to be put to the meeting are in the best interests of the Company and its shareholders as a whole and unanimously recommend shareholders to vote in favour of all the resolutions, as they intend to do in respect of their own beneficial holdings.

Yours sincerely

Alastair Lyons

Chairman

## **Appendix**

### **Explanatory Notes of Principal Changes to the Company's Articles of Association**

#### **Articles which duplicate statutory provisions**

Provisions in the Current Articles which replicate provisions contained in the Companies Act 2006 are in the main amended to bring them into line with the Companies Act 2006. Certain examples of such provisions include provisions as to the form of resolutions, the variation of class rights, the requirement to keep accounting records and provisions regarding the period of notice required to convene general meetings. The main changes made to reflect this approach are detailed below.

#### **The Company's objects**

The provisions regulating the operations of the Company are currently set out in the Company's memorandum and articles of association. The Company's memorandum contains, among other things, the objects clause which sets out the scope of the activities the Company is authorised to undertake. This is drafted to give a wide scope.

The Companies Act 2006 significantly reduces the constitutional significance of a company's memorandum. The Companies Act 2006 provides that a memorandum will record only the names of subscribers and the number of shares each subscriber has agreed to take in the company. Under the Companies Act 2006 the objects clause and all other provisions which are currently contained in a company's memorandum, for existing companies at 1 October 2009, will be deemed to be contained in a company's articles of association but the company can remove these provisions by special resolution.

Further, the Companies Act 2006 states that unless a company's articles provide otherwise, a company's objects are unrestricted. This abolishes the need for companies to have objects clauses. For this reason the Company is proposing to remove its objects clause together with all other provisions of its memorandum which, by virtue of the Companies Act 2006, are to be treated as forming part of the Company's articles of association as of 1 October 2009. Resolution 17 confirms the removal of these provisions for the Company. As the effect of this resolution will be to remove the statement currently in the Company's memorandum of association regarding limited liability, the New Articles also contain an express statement regarding the limited liability of the shareholders.

#### **Change of name**

Currently, a company can only change its name by special resolution. Under the Companies Act 2006 a company will be able to change its name by other means provided for by its articles. To retain the greatest degree of flexibility allowed by this provision, the New Articles enable the Directors to pass a resolution to change the Company's name.

#### **Authorised share capital and unissued shares**

The Companies Act 2006 abolishes the requirement for a company to have an authorised share capital and the New Articles reflect this. Directors will still be limited as to the number of shares they can at any time allot because allotment authority continues to be required under the Companies Act 2006, save in respect of employee share schemes.

#### **Redeemable shares**

At present if a company wishes to issue redeemable shares, it must include in its articles the terms and manner of redemption. The Companies Act 2006 enables directors to determine such matters instead, provided they are so authorised by the articles. The New Articles contain such an authorisation. The

Company has no plans to issue redeemable shares but if it did so the Directors would need shareholders' authority to issue new shares in the usual way.

### **Variation of class rights**

The Current Articles contain provisions regarding the variation of class rights. The proceedings and specific quorum requirements for a meeting convened to vary class rights are contained in the Companies Act 2006. The relevant provisions have therefore been amended in the New Articles.

### **Form of resolution**

The Current Articles contain a provision that, where for any purpose an ordinary resolution is required, a special or extraordinary resolution is also effective and that, where an extraordinary resolution is required, a special resolution is also effective. This provision is being removed as the concept of extraordinary resolutions has not been retained under the Companies Act 2006. Further, the remainder of the provision is reflected in full in the Companies Act 2006.

The Current Articles enable members to act by written resolution. Under the Companies Act 2006 public companies can no longer pass written resolutions. These provisions have therefore been removed in the New Articles.

### **Convening general and annual general meetings**

The provisions in the Current Articles dealing with the convening of general meetings and the length of notice required to convene general meetings are being amended to conform to new provisions in the Companies Act 2006. In particular, a general meeting to consider a special resolution can be convened on 14 days' notice whereas previously 21 days' notice was required.

### **Votes of members**

Under the Companies Act 2006 proxies are entitled to vote on a show of hands whereas under the Current Articles proxies are only entitled to vote on a poll. The time limits for the appointment or termination of a proxy appointment have been altered by the Companies Act 2006 so that the articles cannot provide that they should be received more than 48 hours before the meeting or in the case of a poll taken more than 48 hours after the meeting, more than 24 hours before the time for the taking of a poll, with weekends and bank holidays being permitted to be excluded for this purpose. Multiple proxies may be appointed provided that each proxy is appointed to exercise the rights attached to a different share held by the shareholder. Multiple corporate representatives may be appointed (but if they purport to exercise their rights in different ways, then the power is treated as not being exercised). The New Articles reflect all of these new provisions.

### **Age of directors on appointment**

The Current Articles contain a provision requiring a Director to retire at the conclusion or adjournment of the annual general meeting commencing next after he obtains the age of seventy. Such a provision could now fall foul of the Employment Equality (Age) Regulations 2006 and so has been removed from the New Articles.

### **Conflicts of interest**

The Companies Act 2006 sets out directors' general duties which largely codify the existing law but with some changes. Under the Companies Act 2006, from 1 October 2008 a director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the company's interests. The requirement is very broad and could apply, for example, if a director becomes a director of another company or a trustee of another organisation. The Companies Act 2006 allows directors

of public companies to authorise conflicts and potential conflicts, where appropriate, where the articles of association contain a provision to this effect. The Companies Act 2006 also allows the articles of association to contain other provisions for dealing with directors' conflicts of interest to avoid a breach of duty. The New Articles give the Directors authority to approve such situations and include other provisions to allow conflicts of interest to be dealt with in a similar way to the position as it stood before 1 October 2008.

There are safeguards which will apply when Directors decide whether to authorise a conflict or potential conflict. First, only Directors who have no interest in the matter being considered will be able to take the relevant decision, and secondly, in taking the decision the Directors must act in a way they consider, in good faith, will be most likely to promote the company's success. The Directors will be able to impose limits or conditions when giving authorisation if they think this is appropriate.

It is also proposed that the New Articles should contain provisions to protect a Director being in breach of duty if a conflict of interest or potential conflict of interest arises. These provisions will only apply where the position giving rise to the potential conflict has previously been authorised by the Directors. It is the Board's intention to report annually on the Company's procedures for ensuring that the Board's powers of authorisation of conflicts are operated effectively and that the procedures have been followed.

### **Electronic and web communications**

Provisions of the Companies Act 2006 which came into force in January 2007 enable companies to communicate with members by electronic and/or website communications. The New Articles continue to allow communications to members in electronic form and, in addition, they also permit the Company to take advantage of the new provisions relating to website communications. Before the Company can communicate with a member by means of website communication, the relevant member must be asked individually by the Company to agree that the Company may send or supply documents or information to him by means of a website, and the Company must either have received a positive response or have received no response within the period of 28 days beginning with the date on which the request was sent. The Company will notify the member (either in writing, or by other permitted means) when a relevant document or information is placed on the website and a member can always request a hard copy version of the document or information.

### **Directors' indemnities and loans to fund expenditure**

The Companies Act 2006 has in some areas widened the scope of the powers of a company to indemnify directors and to fund expenditure incurred in connection with certain actions against directors. In particular, the existing exemption allowing a company to provide money for the purpose of funding a director's defence in court proceedings now expressly covers regulatory proceedings and applies to associated companies. The New Articles reflect these amendments.

### **Provision for employees on cessation of business**

The Current Articles give the Directors power to make provision for employees (ie pay compensation or offer some other form of enhanced benefit) in the event of the cessation or transfer of all or part of the Company's business. From 1 October 2009, specific shareholder approval will be required if a director is to be compensated for loss of office, and the New Articles have been amended to reflect this.

### **Execution of documents**

The New Articles provide an alternative option for execution of documents (other than share certificates). Under the New Articles, when the seal is affixed to a document it may be signed by one authorised person in the presence of a witness, whereas previously the requirement was for signature by either a director and the secretary or two directors or such other person or persons as the directors may approve.

**Suspension of registration of share transfers**

The Current Articles permit the Directors to suspend the registration of transfers. Under the Companies Act 2006 share transfers must be registered as soon as practicable. The power in the Current Articles to suspend the registration of transfers is inconsistent with this requirement. Accordingly, this power has been removed in the New Articles.

**General**

Generally the opportunity has been taken to bring clearer language into the New Articles.

## ADMIRAL GROUP PLC

*(Incorporated in England and Wales with registered number 3849958)*

### **Notice of Annual General Meeting**

Notice is hereby given that the Annual General Meeting of Admiral Group plc (**the Company**) will be held at Capital Tower, Greyfriars Road, Cardiff CF10 3AZ, Wales, on Tuesday 28 April 2009 at 3.00pm, for the transaction of the following business: resolutions 1 to 12 will be proposed as ordinary resolutions and resolutions 13 to 17 will be proposed as special resolutions.

#### **As ordinary business:**

- 1 To receive the Financial Statements and the reports of the Directors and the auditors for the year ended 31 December 2008.
- 2 To approve the Directors' Remuneration Report for the year ended 31 December 2008.
- 3 To declare a final dividend on the ordinary shares of the Company for the year ended 31 December 2008 of 26.5 pence per ordinary share.
- 4 To re-elect Henry Engelhardt (CEO) as a Director of the Company.
- 5 To re-elect Kevin Chidwick (Finance Director) as a Director of the Company.
- 6 To re-elect Manfred Aldag (Non-Executive Director) as a Director of the Company.
- 7 To re-appoint KPMG Audit plc as the Auditors of the Company from the conclusion of this meeting until the conclusion of the next general meeting at which accounts are laid.
- 8 To authorise the Directors to determine the remuneration of KPMG Audit plc.

#### **As special business:**

- 9 To consider and, if thought fit, to pass the following resolution as an ordinary resolution:
  - (i) THAT the Company's Senior Executive Restricted Share Plan (the **RSP**) be amended to the effect that the 5 per cent. limit on the number of shares issued or remaining issuable pursuant to awards granted under the RSP in certain circumstances be increased such that an award may be granted under the RSP on any date if, at the time of its proposed grant, it would not cause the number of ordinary shares in the capital of the Company issued or remaining issuable pursuant to awards or options granted under the RSP and any other employee share incentive plan operated by the Company within the period of 10 years ending on such date to exceed 10 per cent. of the number of ordinary shares in the capital of the Company in issue at that time and the Directors be and are hereby authorised to do all such acts and things necessary to carry the amendment into effect.
- 10 To consider and, if thought fit, to pass the following resolution as an ordinary resolution:
  - (i) THAT the Company's Approved Executive Share Option Plan (the **Approved Option Plan**) be amended to the effect that the 5 per cent. limit on the number of shares issued or remaining issuable pursuant to options granted under the Approved Option Plan in certain circumstances be increased such that an option may be granted under the Approved Option Plan on any date if, at the time of its proposed grant, it would not cause the number of ordinary shares in the capital of the Company issued or remaining issuable pursuant to

options or awards granted under the Approved Option Plan and any other employee share incentive plan operated by the Company within the period of 10 years ending on such date to exceed 10 per cent. of the number of ordinary shares in the capital of the Company in issue at that time and the Directors be and are hereby authorised to do all such acts and things necessary to carry the amendment into effect.

11 To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

- (i) THAT the Company's Non-Approved Executive Share Option Plan (the **Non-Approved Option Plan**) be amended to the effect that the 5 per cent. limit on the number of shares issued or remaining issuable pursuant to options granted under the Non-Approved Option Plan in certain circumstances be increased such that an option may be granted under the Non-Approved Option Plan on any date if, at the time of its proposed grant, it would not cause the number of ordinary shares in the capital of the Company issued or remaining issuable pursuant to options or awards granted under the Non-Approved Option Plan and any other employee share incentive plan operated by the Company within the period of 10 years ending on such date to exceed 10 per cent. of the number of ordinary shares in the capital of the Company in issue at that time and the Directors be and are hereby authorised to do all such acts and things necessary to carry the amendment into effect.

12 To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

- (i) THAT the Directors be and they are hereby generally and unconditionally authorised in accordance with section 80 Companies Act 1985 (**CA 1985**) to exercise all the powers of the Company to allot relevant securities (within the meaning of section 80 CA 1985) up to an aggregate nominal amount of £88,300, and further;
- (ii) THAT, in addition to the authority conferred by sub-paragraph (i) above, the Directors be and they are hereby generally and unconditionally authorised to exercise all the powers of the Company to allot equity securities (within the meaning of section 94 CA 1985) in connection with a rights issue in favour of holders of ordinary shares where the equity securities respectively attributable to the interests of all such holders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them (but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements or any legal or practical problems under the laws of, or the requirements of any regulatory body or any stock exchange in, any territory or by virtue of shares being represented by depositary receipts or otherwise howsoever) up to an aggregate nominal amount of £88,300,

provided that the authorities conferred by sub-paragraphs (i) and (ii) above shall expire (unless previously renewed, varied or revoked by the Company in general meeting) 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 such expiry make an offer or agreement which would or might require relevant securities or equity securities (as the case may be) to be allotted after such expiry and the Directors may allot relevant securities or equity securities (as the case may be) in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

13 To consider and, if thought fit, to pass the following resolution as a special resolution:

THAT the Directors be and they are hereby empowered, pursuant to section 95 CA 1985, to allot equity securities (within the meaning of section 94 CA 1985) for cash and/or to allot equity securities where such allotment constitutes an allotment of securities by virtue of section 94(3A) CA 1985, as if section 89(1) CA 1985 did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

- (i) pursuant to the authority conferred by sub-paragraph (i) and/or sub-paragraph (ii) of resolution 12 above, in connection with an offer of such securities by way of a rights issue in favour of holders of ordinary shares in the Company where the equity securities respectively attributable to the interests of all such holders are proportionate (as nearly as may be practicable) to their respective holdings of ordinary shares (but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements or any legal or practical problems under the laws of, or the requirements of any regulatory body or any stock exchange in, any territory or by virtue of shares being represented by depositary receipts or otherwise howsoever);
- (ii) pursuant to the authority conferred by sub-paragraph (i) of resolution 12 above, in connection with an open offer or other offer of securities (not being a rights issue) in favour of holders of ordinary shares in the Company where the equity securities respectively attributable to the interests of all such holders are proportionate (as nearly as may be practicable) to their respective holdings of ordinary shares (but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements or any legal or practical problems under the laws of, or the requirements of, any regulatory body or any stock exchange in, any territory or by virtue of shares being represented by depositary receipts or otherwise howsoever); and
- (iii) otherwise than pursuant to sub-paragraphs (i) and (ii) above, up to an aggregate nominal amount of £13,246,

and shall, unless previously revoked or varied by special resolution of the Company in general meeting, expire at the conclusion of the next annual general meeting of the Company after the date of the passing of this resolution, except that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

14 To consider and, if thought fit, to pass the following resolution as a special resolution:

THAT the Company be generally and unconditionally authorised to make one or more market purchases (within the meaning of Section 163(3) of the CA 1985) on the London Stock Exchange of ordinary shares of 0.1p in the capital of the Company (ordinary shares) provided that:

- (i) the maximum aggregate number of ordinary shares authorised to be purchased is 13,246,000 (representing 5.00% of the issued ordinary share capital);
- (ii) the minimum price which may be paid for an ordinary share is the nominal value of such share;
- (iii) 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 5 business days immediately preceding the day on which the ordinary share is purchased, exclusive of expenses;
- (iv) 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
- (v) 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.

15 To consider and, if thought fit, pass the following resolution as a special resolution:

THAT a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

16 To consider and, if thought fit, pass the following resolution as a special resolution:

THAT the articles of association of the Company produced to the meeting and initialled by the Chairman of the meeting for the purpose of identification be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.

17 To consider and, if thought fit, pass the following resolution as a special resolution:

THAT with effect from 00.01am on 1 October 2009 the articles of association of the Company be amended by deleting all the provisions of the Company's memorandum of association which, by virtue of section 28 Companies Act 2006, are to be treated as provisions of the Company's articles of association.

BY ORDER OF THE BOARD

Stuart Clarke

Company Secretary

27 March 2009

REGISTERED OFFICE

Capital Tower, Greyfriars Road

Cardiff CF10 3AZ

Registered No. 3849958

## Notes to the Notice of Annual General Meeting.

- 1 A member entitled to attend and vote at the Annual General Meeting (**AGM**) may appoint one or more proxies to exercise all or any of his rights to attend, speak and vote at the AGM. A member can appoint more than one proxy in relation to the AGM, provided that each proxy is appointed to exercise the rights attaching to different shares held by him. A proxy need not be a member of the Company. Completion and submission of an instrument appointing a proxy will not preclude a member from attending and voting in person at the AGM.

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 Capita Registrars, 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.admiral-shareholder.co.uk](http://www.admiral-shareholder.co.uk) 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.

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM and any adjournment thereof 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 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, or instruction, made by means of CREST to be valid, the appropriate CREST message (a **CREST Proxy Instruction**) must be properly authenticated in accordance with CREST Co'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 RA 10) 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 time stamp 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) of the Uncertificated Securities Regulations 2001. CREST members and, where applicable, their CREST sponsors or voting service providers should note that CREST Co 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 therefore the responsibility of the CREST member concerned (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that their CREST sponsor or voting service provider(s) to take 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.

The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the company in accordance with section 146 of the Companies Act 2006 (**nominated persons**). Nominated persons may have a right under an agreement with the registered shareholder who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.

- 2 In order to facilitate voting by corporate representatives at the AGM, arrangements will be put in place at the AGM so that (i) if a corporate shareholder has appointed the chairman of the AGM as its corporate representative to vote on a poll in accordance with the directions of the other corporate representative for that shareholder at the AGM, then on a poll those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the AGM but the corporate shareholder has not appointed the chairman of the AGM as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the draft guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives ([www.icsa.org.uk](http://www.icsa.org.uk)) for further details of this procedure. The draft guidance includes a sample form of appointment letter if the chairman is being appointed as described in (i) above.
- 3 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 6.00 p.m. on **27 April 2009** (or 6.00 p.m. 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.
- 4 Biographical details of the Directors are shown in the Annual Report and Accounts.
- 5 The register of Directors' interests in the share capital of the Company is available for inspection at the registered office of the Company during normal business hours on any weekday and will be available at the place of the AGM from 15 minutes before the meeting until it ends.