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If you sell or transfer or have sold or transferred all your Ordinary Shares, please send this Circular, together with the Form of Proxy, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. If you have sold part of your holding of Ordinary Shares, please retain this document and the accompanying Form of Proxy and contact immediately the bank, stockbroker or other agent through whom the sale or transfer was effected.



Resolution Limited

(Incorporated in Guernsey with registered no. 49558)

Proposal for the Approval of Related Party Transactions and Notice of General Meeting

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company which is set out in Part I of this document and which contains the unanimous recommendation of the Board that you vote in favour of the Ordinary Resolution to be proposed at the General Meeting referred to below.

Notice of a General Meeting of the Company to be held at 11.00 a.m. on 13 January 2012 at Trafalgar Court, Les Banques, St. Peter Port, Guernsey, GY1 3QL, Channel Islands is set out at the end of this document. A Form of Proxy for use at the General Meeting is enclosed. To be valid, a Form of Proxy should be completed, signed and returned in accordance with the instructions printed on it so as to be received by Computershare, at the address detailed on the Form of Proxy, as soon as possible and in any event no later than 11.00 a.m. on 11 January 2012. CREST members may also choose to utilise the CREST electronic proxy appointment service in accordance with the procedures set out in the notice at the end of this Circular. Completion and return of a Form of Proxy will not preclude you from attending and voting in person at the General Meeting, should you so wish.

If you are a Share Account Holder, a Form of Instruction should be enclosed with this document instead of a Form of Proxy. To be valid, a Form of Instruction should be completed, signed and returned in accordance with the instructions printed on it so as to be received by Computershare, at the address detailed on the Form of Instruction as soon as possible and in any event no later than 11.00 a.m. on 9 January 2012. Share Account Holders will only be entitled to attend and vote at the General Meeting if they have submitted a Form of Instruction in accordance with the relevant instructions.

Lazard & Co., Limited, which is authorised and regulated by the Financial Services Authority in the United Kingdom, is acting for the Company and no one else in connection with the Proposed Amendments and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Lazard & Co., Limited or for providing advice in relation to the Proposed Amendments referred to in this document.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time and date for receipt of Forms of Instruction for the General Meeting	11.00 a.m. on 9 January 2012
Latest time and date for receipt of Forms of Proxy for the General Meeting	11.00 a.m. on 11 January 2012
General Meeting	11.00 a.m. on 13 January 2012

PART I

LETTER FROM THE CHAIRMAN OF RESOLUTION LIMITED



Resolution Limited

(Incorporated in Guernsey with registered no. 49558)

Registered office: Trafalgar Court, Les Banques, St. Peter Port, Guernsey, GY1 3QL, Channel Islands

28 November 2011

Directors:

Michael Biggs (Chairman)
Jacques Aigrain
Gerardo Arostegui
Mel Carvill
Fergus Dunlop
Philip Hodgkinson
Denise Mileham
Peter Niven
Gerhard Roggemann
Timothy Wade

Dear Shareholder,

Proposed amendments to the arrangements between Resolution Limited and Resolution Operations LLP and its affiliates

Notice of General Meeting

1. Introduction

Resolution Limited (the "**Company**") was launched in 2008 to undertake multiple restructuring projects in the financial services industry in Western Europe. The Company is advised by Resolution Operations LLP ("**ROL**"), an FSA authorised UK limited liability partnership to which the Company has delegated most of its functions as a holding company.

In 2009, the Company launched its first restructuring project in the life assurance and asset management sectors (as more particularly described in the definition section, the "**UK Life Project**"). On 7 June 2011, the Company announced that it would not undertake any additional restructuring projects until after the completion of the UK Life Project recognising that, whilst Shareholders continue to support ROL's mandate to identify and bring new project proposals to the market, they have indicated that they would prefer any such new projects to be executed through separate investment vehicles established by ROL independently of the Company, so as not to blend returns from such projects with those of the UK Life Project.

On 28 November 2011, the Company announced that, subject to Shareholder approval, it had reached a firm agreement with ROL and other members of the Resolution Group to amend the Operating Agreement and certain other arrangements between them in order to ensure the ongoing commitment of ROL to secure a successful outcome for Shareholders from the UK Life Project whilst at the same time allowing ROL to investigate and pursue other restructuring projects which do not conflict with the UK Life Project.

Clive Cowdery and John Tiner, who are both members of ROL, are related parties of the Company by virtue of their role as directors of Friends Life Group plc, one of the Company's subsidiary undertakings. ROL is deemed to be a related party of the Company as it is considered to exert significant influence over the Company as well as being an associate of Clive Cowdery. RCAP (the member of the Resolution Group which holds an interest in the Company) and Resolution Capital Limited are related parties of the Company by virtue of being associates of Clive Cowdery. Certain of the proposed amendments to the Company's agreements with the Resolution Group as described in this Circular therefore constitute related party transactions under the Listing Rules and as a result are subject to, and conditional upon, the approval of Shareholders.

The purpose of this document is:

- (a) to provide you with details of proposed amendments to be made to the terms of the Operating Agreement and the ROL Partnership Agreement and the terms of a New Lock-Up Agreement to which members of the Resolution Group will be subject (the "**Proposed Amendments**"), including the background to and reasons for them; and
- (b) to explain why the Board considers the Proposed Amendments to be fair and reasonable so far as the Shareholders are concerned and in the best interests of Shareholders as a whole and, accordingly, to explain why the Board is unanimously recommending Shareholders to vote in favour of the Ordinary Resolution at the General Meeting.

2. Background to, and reasons for, the Proposed Amendments

The Company was sponsored and established in 2008 by the Resolution Group with a broad mandate to engage in restructuring projects within the financial services industry in the UK and Western Europe, to be advised by ROL.

Consequently, at the time of the Company's Initial Listing in 2008, the Company entered into an Operating Agreement pursuant to which it outsourced most of its operating functions as a holding company to ROL, including the identification and assessment of acquisition opportunities and the design and execution of the restructuring process for acquired businesses. ROL has a team of highly experienced partners and employees with skills in sourcing and implementing mergers and acquisitions, raising capital in the capital markets and overseeing large operational change. A detailed summary of the principal terms of the current Operating Agreement is set out in Part III of this document.

In 2009, the Company launched the UK Life Project. The three acquisitions made to date for this project, which comprise Friends Provident Group plc, the majority of AXA's UK life insurance business and Bupa Health Assurance Limited, have created a business with a net Market Consistent Embedded Value of £6,482 million as at 30 June 2011.

On 7 June 2011, the Company announced that it would not undertake any additional restructuring projects until after the completion of the UK Life Project. At the same time, and reflecting the proposed narrowing of the potential scope of the Company's activities, it announced that the Board

had reached agreement on the principles which would lead to changes to the Operating Agreement between the Company and ROL.

These changes would ensure ROL's ongoing commitment to achieving the successful completion of and value delivery from the UK Life Project whilst also allowing ROL to continue to investigate and pursue other restructuring projects which do not conflict with the UK Life Project within separate investment vehicles. This announcement followed a process of consultation with major Shareholders from which the Board understood that Shareholders did not wish the returns from the Company's UK Life Project to be blended with returns from other possible restructuring projects.

The principles agreed with the Resolution Group require: (a) amendments to be made to the terms of the Operating Agreement and the ROL Partnership Agreement; and (b) RCAP and Resolution Capital Limited to enter into a new lock-up agreement in respect of RCAP's holdings of Ordinary Shares. The amendments to the Operating Agreement will, if approved, also provide a framework in which the Company will fund third party costs and expenses incurred by ROL in investigating and developing other projects that fall within the original scope of the Company, provided that certain conditions are met. The amount of Company funding which is available for new projects will be subject to an aggregate cap across all projects of £20 million, such cap to be replenished from time to time by, and to the extent of, any amount of project funding which is repaid to the Company.

The Proposed Amendments seek to achieve the following key objectives:

- to ensure the ongoing commitment of ROL and the Resolution Group to secure a successful outcome for the Company's Shareholders from the UK Life Project through the extension of the term of the Operating Agreement until completion of the UK Life Project. This is supported by a new lock-up agreement which strengthens financial alignment by extending the existing lock-up in relation to the Resolution Group's current shareholding in the Company, in which it has invested £28 million;
- to ensure that the Company remains engaged with ROL in identifying and bringing to the market new proposals that do not conflict with the UK Life Project but provided that any such projects launched by ROL while the UK Life Project is ongoing will be executed through separate investment vehicles;
- to allow for certain of ROL's costs in respect of investigating and developing new projects to be funded by the Company, subject to certain safeguards intended to protect the Company and Shareholders, with an overall £20 million cap and with a minimum cash return of 100% for the Company; and
- to remove certain veto rights granted to the Company at the time of the Initial Listing which affect the time commitment of the founding partners of ROL (other than Clive Cowdery) and their ability to transfer interests in ROL to third parties so that, whilst remaining committed to providing the resources necessary to enable the Company to successfully complete the UK Life Project, ROL will have greater flexibility to approve changes to members' interests in ROL and their level of involvement with the Resolution Group without Company approval.

The team and the capabilities of the Resolution Group have expanded significantly since the time of the Company's Initial Listing in 2008. Four new partners have joined in the past two years and the business now comprises eight partners and 42 staff. ROL and other members of the Resolution Group have continued their research and development activities in financial services sectors and geographies which could benefit from ROL's origination and restructuring skills. This activity shows that there are many projects which may be capable of delivering attractive returns and be of interest to investors. Key areas under active investigation by ROL include a consolidation project in the asset

management sector (among businesses where there is no strategic fit with the Friends Life business), acquiring various businesses and assets emerging from the de-leveraging and restructuring of European banks, and possible projects involving the consolidation of books of in-force life assurance policies in each of the United States and Continental Europe.

On the basis of the substantial development work undertaken to date, and subject to market conditions, the Resolution Group believes that such projects have the potential to provide attractive investment opportunities in the near to medium term. Following discussions between the Company and ROL about potential projects within the sectors referred to above, the Board has approved two requests by ROL to fund research and development work in relation to two potential projects which are within the scope of the Company's original acquisition mandate but outside the scope of the UK Life Project. The aggregate amount of the two funding requests is £3.5 million. ROL has incurred costs of £1,574,760 to date in connection with these projects. The Board understands that ROL may submit a further request for funding of £1.5 million in connection with one of the projects depending on the outcome of its initial research and development work.

The funding requests were approved subject to certain conditions, including that, in the event that the Proposed Amendments are approved by Shareholders, such funding will count towards the proposed £20 million project funding cap, and that the funding plus a cash return of 100% on such funding will be payable to the Company in the event that the project is successfully launched.

If the Proposed Amendments are not approved by Shareholders, the funding of these projects will be treated as expenses payable to ROL pursuant to the current terms of the Operating Agreement.

3. Summary of the Proposed Amendments

Your attention is drawn to Part II of this document which contains a more detailed summary of the amendments proposed to be made to the Operating Agreement and the ROL Partnership Agreement and a summary of the proposed terms of the New Lock-Up Agreement.

In summary, the key features of the Proposed Amendments are:

(A) Completion of the UK Life Project

- RCAP GP Limited (acting in its capacity as general partner of RCAP) will enter into the New Lock-Up Agreement with the Company pursuant to which RCAP will agree not to dispose of any Ordinary Shares until completion of the UK Life Project, subject to certain exceptions which are described in more detail in paragraph 2 of Part II of this Circular. This will result in a closer alignment between the financial interests of the Resolution Group and the Company.
- The initial term of the Operating Agreement shall be extended to the later of 10 December 2013 and the date falling 12 months from the completion of the UK Life Project, meaning that the Company shall retain the capabilities and skill set of ROL for the duration of the UK Life Project. The Board will consider formally at least once each year whether the UK Life Project has completed and whether notice to terminate the Operating Agreement should be given to ROL (such notice to expire upon the later of 10 December 2013 or 12 months after UK Life Project Completion).
- ROL shall continue to investigate and advise exclusively on possible further transactions that might enhance returns for the UK Life Project.
- ROL shall continue to investigate possible exit strategies that will ultimately result in the successful completion of the UK Life Project.

- A number of employees with roles within ROL that are key to the achievement of the UK Life Project shall, for the duration of the UK Life Project, be focussed predominantly on the UK Life Project.
- The Operating Agreement will also be expanded to cover the provision of certain additional company secretarial services to the Company, replacing the services currently provided by Northern Trust. This transfer of activity is anticipated to be broadly cost neutral.
- In order to ensure that the Proposed Amendments are not classified as a class 1 transaction, the maximum funding of new ROL projects of £20 million together with the fees payable in the future as a result of the extension of the term of the Operating Agreement, and also the additional fees payable for secretarial services, will be capped at below the level that would require the Proposed Amendments to be classified as a class 1 transaction for the purposes of the Listing Rules.
- In response to Shareholder feedback, the Company shall undertake not to carry out any project other than the UK Life Project until the UK Life Project is completed unless it considers it appropriate having consulted with Shareholders and agreed the revised scope with ROL.
- The transactions that fall within the scope of ROL's obligation to refer opportunities to the Company shall, until the completion of the UK Life Project, be restricted to include only: (a) UK life companies; (b) international life companies; (c) European-based estate planning businesses; and (d) any UK asset management business that the Board reasonably believes offers the potential for a strategic fit with and financial benefit to the UK Life Project (excluding asset management businesses which predominantly manage retail funds or predominantly sell by way of bank distribution).
- ROL shall be entitled to transfer its rights and obligations under the Operating Agreement to certain other entities, as described in more detail in section (C) below.

(B) ROL's ability to pursue new projects and the Company's agreement to fund projects

- Recognising the wish of Shareholders not to blend the returns of the UK Life Project with other restructuring projects, ROL shall have the right to pursue other projects outside the UK Life Project and, whilst the UK Life Project remains in progress, any new project which ROL is involved in shall be operated through a separate project investment vehicle established by ROL, which shall be owned and managed independently of the Company. This right will be subject to a veto by the Company at the outset unless the Board is satisfied that there is no material conflict between the proposed new project and the UK Life Project, having taken into account any measures proposed by ROL to address any potential conflict. The Company will also have certain ongoing rights if any proposed material amendment to the scope of the new project is made thereafter that the Board considers could lead to a material conflict.
- The Company will fund the third party costs and expenses incurred by ROL in investigating and developing a new project to the point that it can be taken to market provided that:
 - (a) the new project is established with an intention to acquire businesses which are primarily involved in one or more of the life assurance, asset management, general insurance, banking and diversified financial sectors in the UK or elsewhere in Western Europe; and
 - (b) in the reasonable opinion of the Board, the proposal made by ROL for the potential

return on funding of the costs of the new project confers an appropriate benefit on the Company or the Shareholders taken as a whole.

Unless the parties agree a different form of return or benefit at the time that the Company provides funding for a new project, the Company will be entitled to receive a cash return on its funding. The amount of this return will be the subject of agreement in each specific case but shall never be less than a minimum of 100% on the amount of project funding provided by the Company. If a cash return of at least 100% on funding is agreed, no further approval would be needed under the Listing Rules. However, any other form of return would be assessed in accordance with Chapters 10 and 11 of the Listing Rules at the relevant time and shareholder approval sought if necessary.

The amount of Company funding which is available for new projects will be replenished from time to time by, and to the extent of, any amount of project funding which is repaid to the Company, but will otherwise be subject to an aggregate cap across all projects of £20 million.

- Amounts funded by the Company will be repayable upon the earlier of: (i) the relevant new investment vehicle completing one or more equity fundraisings from external investors (i.e. excluding members of the Resolution Group or their affiliates) aggregating at least £50 million; or (ii) the date being two years after the completion by the new investment vehicle of any fundraising(s) which in aggregate raise more than the project funding provided by the Company (and, in respect of repayment of any agreed return on project funding, which raise more than the funding provided by the Company and the amount of the agreed return).
- In the event that ROL is managing or advising one or more new projects, the annual operating fee payable by the Company to ROL shall be reduced by £2 million x P, where P is the proportion of projects by number managed by ROL outside the UK Life Project. So, for example, if at some point ROL were to provide services to the UK Life Project and two other separate project vehicles, the Company would benefit from a reduction in the annual operating fee of two-thirds of £2 million. This reduction in operating fee reflects the synergies expected to accrue to ROL through being involved in multiple projects.

(C) Changes to the Resolution Group and the future provision of services to the Company

In the three years since the autumn of 2008, the Resolution Group has grown significantly from the small group of founding partners in the anticipation that over time additional resources would be required under the existing Operating Agreement to provide services to the Company in respect not just of the UK Life Project but also multiple other projects. The Resolution Group now has eight partners and 42 other staff, all of whom are available to support ROL's provision of services to the Company. As always envisaged, there have been changes to ROL personnel over this period but importantly ROL has continued to deliver a high quality of service to Company by involving different individuals depending on the stage of the UK Life Project and the skills required at the time. This will continue to be the case going forward.

In addition, the holding company of the Company's operating group, Friends Life Group plc, now has a fully formed board and a new management team in place to lead the business as it proceeds through the restructuring phase towards the exit phase of the UK Life Project.

Given the wish of Shareholders to restrict the scope of the Company to the UK Life Project for the time being and in the light of the expansion of resources now available to the Company described above, the Board believes it is in Shareholders' interests and equitable to ROL that a number of amendments are made to the Operating Agreement and to certain terms of the ROL Partnership Agreement that currently require the consent of the Company. These amendments will, amongst other things, give ROL greater flexibility to approve changes which affect the time commitment of

the founding partners of ROL (other than Clive Cowdery) and their ability to transfer interests in ROL to third parties without Company approval, whilst ensuring that ROL remains committed to provide the resources necessary to enable the Company to successfully complete the UK Life Project.

It is now proposed that the Operating Agreement shall be amended to:

- remove the Company's right to veto the amendment or waiver of Individual Members' (other than Clive Cowdery's) time commitment to the Resolution Group;
- remove the Company's right to veto the amendment or waiver of Individual Members' (other than Clive Cowdery's) obligation to give at least twelve months' notice of an intention to resign from ROL;
- provide that the Company may not withhold its consent to certain disposals by Individual Members (other than Clive Cowdery) of their interests in ROL (as described in more detail in paragraph 1(J) of Part II of this Circular);
- provide that the Company may not unreasonably withhold its consent to a disposal by Clive Cowdery of an interest in ROL to a Connected Person; and
- permit the Resolution Group to transfer the provision of services to the Company from ROL to another entity within the Resolution Group or certain other connected or related entities (as described in more detail in paragraph 1(G) of Part II of this Circular). ROL has confirmed that in such circumstances it will procure that the relevant entity would comply with certain qualifying criteria and that the relevant entity would honour all commitments made to the Company in the Operating Agreement.

In addition, it is proposed that the Company consents to amendments proposed to be made to the ROL Partnership Agreement to:

- require Individual Members (other than part-time members) to ensure that substantially their sole business activity is in respect of the Resolution Group, rather than in respect of ROL specifically;
- allow Individual Members (other than Clive Cowdery) to continue as members of ROL on a part-time basis without the consent of the Company; and
- continue to permit Individual Members to undertake certain other business activities alongside their full or part-time work for the Resolution Group provided that such business activity would not give rise to a material conflict with the business activity of the Company or the Resolution Group or have a material affect on the ability of ROL to perform the services it has agreed to provide to the Company under the terms of the Operating Agreement.

There is no requirement for the Company to consult with Shareholders prior to giving its consent to these amendments to the ROL Partnership Agreement. However, given that the changes currently proposed to the ROL Partnership Agreement are part of the Proposed Amendments, the Ordinary Resolution includes a provision authorising the Company to approve the amendment of the ROL Partnership Agreement in the manner described herein.

In advance of the adoption of the Proposed Amendments, the Board has agreed to a reduction in John Tiner and Jim Newman's time commitment to the Resolution Group while maintaining their existing time commitment to the UK Life Project and hence the Company. From the beginning of 2012, John Tiner and Jim Newman will work for an average of 3 days per week, their time commitment in any

particular period being dependent on the needs of the Company (for example, their time commitments are likely to be greater around the time the Company reports results or executes a transaction, and may be reduced at other times).

Clive Cowdery, the founder of the Resolution Group, has confirmed to the Board that he has no plans to reduce his time commitment to the Resolution Group, and remains committed to overseeing the UK Life Project through to a successful completion.

4. Financial effects of the Proposed Amendments

The amendments to the Operating Agreement to allow ROL to pursue new projects independently of the Company are not expected to have an adverse financial effect on the Company.

The other Proposed Amendments will have two principal financial effects on the Company. The first is that the Company may incur aggregate additional costs up to a maximum of £20 million in providing funding to ROL to support the investigation and development of new projects. Whether or not the Company is repaid this funding will depend on whether the new projects pursued by ROL are able to raise sufficient finance from other sources to make the repayment. In addition, the return or profit that the Company will make on such funding, if any, will depend on what is agreed between the Company and ROL on a case by case basis, within the parameters established by the Amended Operating Agreement (including the agreed minimum of a 100% cash return on funding) and whether the new projects are successfully brought to market.

The second principal financial effect is that the Company will continue to pay ROL an annual operating fee of the higher of £10 million and 0.5% of the non-cash market value of the Company for the services provided to it in respect of the UK Life Project, throughout the extended term of the Amended Operating Agreement. The Company will also pay an amount on a cost plus margin basis for the accounting services and the additional company secretarial services which ROL provides to the Company.

However, in the event that ROL is managing or advising new projects outside of the Company, the annual operating fee under the Amended Operating Agreement will be reduced by £2 million x P, where P is the proportion of projects managed independently of the Company.

In addition, in order to ensure that the Proposed Amendments are not classified as a class 1 transaction for the purposes of the Listing Rules, the Company has agreed with ROL to cap the aggregate of: (a) the fees payable as a result of the extension of the term of the Operating Agreement; and (b) the additional secretarial fees paid at any time so that the aggregate amount payable will never exceed an amount equal to: (i) the threshold for a class 1 transaction under either the consideration test (being 24.99% of the market capitalisation of the Company at close of business on 25 November 2011) or the gross assets test (being 24.99% of the Company's gross assets as set out in its interim accounts for the six months to 30 June 2011) in the Listing Rules, less (ii) the capped amount in respect of the funding to be provided for new projects under the Amended Operating Agreement, of £20 million. In the event that such cap would otherwise be exceeded, either the Company may, subject to any requirements of the Listing Rules applied at that time, agree to pay the relevant fees on an ongoing basis, terminable upon a year's notice at any time or, if it does not so agree, ROL may terminate the Operating Agreement on three months' notice. The insertion of this cap does not reflect the Board's view on the likely cost to the Company of the Proposed Amendments, which the Board believes will be significantly below the relevant cap.

5. Principal benefits and risks of the Proposed Amendments for the Company

Principal Benefits

The Board believes that the Proposed Amendments will deliver benefits to the Company, including:

- (a) the extension of the term of the Operating Agreement such that it will remain in place until after the completion of the UK Life Project (subject to existing rights of early termination in specified circumstances);
- (b) strengthened alignment between the financial interests of the Resolution Group and the Company through the extension of the lock-up period applicable to the Resolution Group's shareholding in the Company until the end of the UK Life Project and the increase in the number of Ordinary Shares locked up; and
- (c) the possibility of the Company benefitting from a return on funds provided to ROL to finance new projects and a reduction in the annual operating fee in the event ROL provides services to other projects.

The Board believes there is significant benefit in retaining the capabilities and skills within ROL for the duration of the UK Life Project and that the Proposed Amendments will ensure that the Company remains engaged with ROL in the identification and bringing to market of new project proposals. The Board considers that it is in the best interests of Shareholders that the Company continues this engagement with ROL as it will provide the Company with a holistic view of ROL's activities, and thus the Company will have the opportunity to consider in advance any potential impacts on the UK Life Project arising from such activities due to possible resource and scope conflicts. The Company will also continue to benefit from the broader view of market activity and the multiple discussions ROL has with major international financial firms which might identify transaction opportunities relevant to the UK Life Project.

Having regard to these benefits, the Board considers that it is appropriate for the Operating Agreement to be amended to reflect the Company's confirmation that it will not undertake additional projects until after the completion of the UK Life Project and to enable ROL to pursue other projects outside of the UK Life Project, subject to appropriate safeguards for Shareholders. The Proposed Amendments provide the Company with the power to veto ROL's involvement in any external project that materially conflicts with the UK Life Project and aim to ensure that if any new ROL-backed vehicle acquires any assets or businesses falling within the scope of the UK Life Project and which would be a strategic fit with, and of financial benefit to, the UK Life Project, those assets or businesses will be offered for sale to the Company.

Principal Risks

Shareholders may be concerned that, if other projects which ROL is involved with are to be executed in separate investment vehicles, ROL's focus may move away from the Company to these new projects. However, the successful completion of the UK Life Project remains the primary focus for the Company, ROL and the Resolution Group, particularly given the financial commitment of RCAP pursuant to the New Lock-Up Agreement. The services provided under the Operating Agreement by ROL to the Company in respect of the UK Life Project will therefore remain unaltered.

Furthermore, ROL's commitment to the UK Life Project will be strengthened by extending the term of the Operating Agreement as well as agreeing that a number of employee roles within ROL that are key to the achievement of the UK Life Project will, for the duration of the project, be dedicated

predominantly to the UK Life Project. The Board believes that these amendments will secure the practical working position the Company enjoys today.

If the Proposed Amendments are implemented, the Board may fund ROL's costs in respect of new projects without further recourse to Shareholder approval. There is a risk that the Company will not recover the costs incurred by it in funding ROL's expenses if the projects pursued by ROL do not raise sufficient cash from other investors to repay the funding. However, the total amount of funding that may be outstanding at any time has been capped at £20 million across all projects and the Proposed Amendments include amendments to the Operating Agreement which require the Board to be satisfied that a proposed new project confers an appropriate benefit on the Company or on Shareholders taken as a whole before the Company provides ROL with funding.

The ability for ROL to execute new projects in separate investment vehicles means that Shareholders may not necessarily participate in any potential upsides that such new projects generate. However, in the event that ROL is managing or advising new projects independently of the Company, the annual operating fee will be reduced and any project funding provided by the Company will be reimbursed with an agreed return or other benefit for the Company if the relevant project is brought to market. In addition, ROL will continue to investigate and advise on possible further transactions that might enhance returns for the UK Life Project.

In order to reflect that there may be changes in ROL personnel from time to time, ROL will have greater flexibility to approve the reduction of Individual Members' (other than Clive Cowdery's) time commitment to the Resolution Group or permit them to resign on less than twelve months' notice without the consent of the Company. Therefore, there is a risk that the Company will lose the capabilities and skill sets of the current Individual Members sooner than it otherwise might. However, the Resolution Group has grown significantly since the Initial Listing and it is not as dependent on individual members to provide services to the Company under the Operating Agreement as it once was. Moreover, ROL will continue to have the obligation to maintain the services it has been providing to the Company since the Initial Listing.

In addition, ROL will have the ability to transfer its rights and obligations under the Amended Operating Agreement. Therefore, there is a risk that services will be provided to the Company by another entity. However, the services can only be provided by a Qualifying Entity which would be required to honour all commitments made to the Company in the Amended Operating Agreement. In addition, such entity would need to satisfy certain criteria to ensure it has the requisite capabilities and skills to provide the Company with the same level of services.

6. General Meeting

The Ordinary Resolution to approve the Proposed Amendments will be proposed as an ordinary resolution at the General Meeting to be held at 11.00 a.m. on 13 January 2012.

The Ordinary Resolution seeks Shareholder approval for: (i) the terms of the Amended Operating Agreement and the New Lock-Up Agreement and the execution on behalf of the Company of the same; and (ii) the Company's consent to the amendments proposed to be made to the ROL Partnership Agreement.

A Notice of the General Meeting setting out the full text of the Ordinary Resolution is set out at the end of this document.

7. Action to be taken

Certificated Shareholders

Please sign and complete the enclosed Form of Proxy in accordance with the instructions printed on it and return it to Computershare at The Pavilions, Bridgwater Road, Bristol BS99 6ZY in the pre-paid envelope provided. Alternatively, you may register your vote(s) electronically via the Company's website at <http://www.resolution.gg> by going to the "Investor Relations" page and clicking on the "General Meeting Information" link on the left-hand side of the screen. You will need your Shareholder Reference Number and PIN, both of which can be found on the Form of Proxy sent to you, in order to use the electronic proxy appointment service.

CREST Shareholders

You may appoint a proxy through CREST by using the CREST electronic appointment service. For further information on the appointment of proxies using CREST please see notes 5 to 8 of the Notice of General Meeting.

Resolution Limited Share Account holders

If you hold a Resolution Share Account and you do not intend to attend the General Meeting in person, you may instruct Computershare Company Nominees Limited to appoint the Chairman of the General Meeting or any third party of your choice to vote at the General Meeting on your behalf in accordance with your instructions. Alternatively, you may request to attend the General Meeting in person and cast your own vote. You may do either of the above by completing the Form of Instruction that has been sent to you, in accordance with the instructions printed on it, and returning it to Computershare at The Pavilions, Bridgwater Road, Bristol BS99 6ZY. Alternatively, you can submit your instructions electronically via the Company's website at <http://www.resolution.gg> by going to the "Investor Relations" page and clicking on the "General Meeting Information" link on the left-hand side of the screen. You will need your Shareholder Reference Number and PIN, both of which can be found on the Form of Instruction sent to you, in order to use the electronic proxy appointment service.

If a Form of Instruction is not received in hard copy or electronically by 11.00 a.m. on 9 January 2012 you may be able to attend the General Meeting at the Company's discretion, though you will not be entitled to vote at the General Meeting.

8. Further information

Your attention is drawn to the further information set out in Parts II and III of this document. You are advised to read the whole document and not merely rely on the summary information presented above.

9. Recommendation

The Board, which has been so advised by Lazard & Co., Limited, considers the Proposed Amendments to be fair and reasonable as far as Shareholders are concerned. In providing its advice to the Board, Lazard & Co., Limited has taken into account the Board's commercial assessment of the Proposed Amendments.

As is required under the Listing Rules, RCAP GP Limited (acting in its capacity as general partner of RCAP) has undertaken to the Company that it will refrain from voting on the Ordinary Resolution and that it will take all reasonable steps to ensure that its associates will not vote on the Ordinary Resolution.

In the opinion of the Board the Proposed Amendments are in the best interests of Shareholders as a whole. The Board therefore unanimously recommends that Shareholders vote in favour of the Ordinary Resolution to be proposed at the General Meeting, as each member of the Board intends to do in respect of his or her own beneficial holdings of Ordinary Shares which amount in total to 393,683 Ordinary Shares, representing approximately 0.03% of the Ordinary Shares currently in issue.

Yours faithfully,

Michael Biggs

Chairman

PART II

SUMMARY OF THE PROPOSED AMENDMENTS

1. Amended Operating Agreement

(A) Background

The Company has agreed, conditional on shareholder approval, a number of amendments to the Operating Agreement with ROL to achieve the key objectives identified in paragraph 2 of Part I of this Circular. The following is a summary of the principal proposed amendments to the Operating Agreement. A copy of the Amended Operating Agreement, which reflects all of the proposed amendments, is available for inspection by Shareholders as described in paragraph 8 of Part III of this Circular.

(B) Term

The term of the Operating Agreement shall be extended from the existing earliest termination date of 10 December 2013 until the later of 10 December 2013 and the date falling 12 months from the date on which the Company, having considered the advice of ROL on such matter, makes an announcement through a regulatory information service that completion of the UK Life Project has occurred (the "**UK Life Completion Date**"). The existing rights of earlier termination in specified circumstances will be preserved.

The parties have agreed to negotiate in good faith from the UK Life Completion Date or the point at which notice to terminate the Operating Agreement has been served with the intention of agreeing whether the Operating Agreement should be terminated prior to the end of its term or whether any amendments are required to the Operating Agreement to reflect the amended scope of services (if any) to be provided by ROL in the period following the UK Life Completion Date and (if so) an appropriate fee for such services. Any such further agreement will be assessed in accordance with Chapters 10 and 11 of the Listing Rules at the relevant time and shareholder approval will be sought if necessary.

(C) Restriction of activity until the completion of the UK Life Project

The Company will focus exclusively on the UK Life Project until it is completed unless the Company considers it appropriate, having consulted with Shareholders and agreed its revised scope of operation with ROL, to extend its acquisition mandate. Any extension of the Company's acquisition mandate shall not affect the Company's obligations to seek shareholder approval for certain transactions where required to do so by the Listing Rules.

(D) Provision of dedicated personnel

A number of employees with roles within ROL that are key to the achievement of the UK Life Project shall, for the duration of the project, be dedicated predominantly to the UK Life Project.

(E) New ROL projects

ROL's right to pursue new projects

ROL and its subsidiary undertakings shall be free to develop, manage, participate in, sponsor, advise and/or be interested in other projects and activities outside of the UK Life Project, provided that:

- (a) the Company shall have a veto right, as described below; and

- (b) ROL complies with provisions of the Amended Operating Agreement dealing with the management of conflicts, as described below.

Any such new project shall be operated by a separate project investment vehicle established by ROL and owned and managed independently of the Company. The Company shall not be responsible for engaging third party professional advisers and banks on behalf of any new project(s).

The Company's veto

Where ROL proposes to develop, manage, sponsor and/or advise on a new project through a new investment vehicle it shall be required to notify the Company of the proposed scope of the new project and, to the extent necessary, the nature of any non-compete clauses or other measures in relation to the new project which it considers necessary and appropriate to address any material conflicts with the UK Life Project. The Company must confirm within one month whether or not it is satisfied that there is no material conflict between the proposed new project and the UK Life Project, taking into account any such measures proposed by ROL. If the Company is satisfied that there is no material conflict or does not object within the one month period, ROL shall be permitted to establish the new investment vehicle and progress the new project in accordance with the proposed scope disclosed to the Company. Unless the Company is satisfied that there is no material conflict it shall have a veto right. The Company shall have a similar right of veto over any proposed material amendment to the scope of the new project that may cause a material conflict until such time as the new investment vehicle completes an equity fundraising from external investors. At the point at which an equity fundraising is undertaken, ROL is obliged to procure that certain restrictions are put in place to stop the new investment vehicle from undertaking a material change in scope that would result in a material conflict. If such a material change nonetheless arises, and the Board so determines, ROL shall be required to cease providing services to the new project within 12 months.

For the purposes of the Company's veto right a material conflict will be deemed to exist where there are reasonable grounds for concluding that a new project is reasonably likely either to comprise businesses a material part of which would compete for customers for sales in product categories of the same or similar type as sold by a business comprising part of the UK Life Project or be reasonably likely to pursue acquisitions of assets or business all or any material part of which fall within the meaning of In-Scope Acquisitions, in each case in a manner that has not been dealt with to the Board's reasonable satisfaction by non-compete clauses or other measures proposed by ROL.

Company funding

If ROL wishes the Company to fund the costs of any new project it must notify the Company of this fact and give certain confirmations as to the scope of the project and the nature and the terms of the benefit ROL proposes to provide to the Company or the Shareholders.

The Company will fund the relevant new project if it is permitted to do so by applicable law (including the Listing Rules) and:

- (a) the new project is to be established with the intention of acquiring businesses which are primarily involved in one or more of the life assurance, asset management, general insurance, banking and diversified general financial sectors in the United Kingdom or elsewhere in Western Europe; and
- (b) in the reasonable opinion of the Board, the proposals made by ROL for the return on funding of the relevant project costs confer an appropriate benefit on the Company or the Shareholders taken as a whole. This may be satisfied by a benefit accruing to the Company, such as an issue

of securities or warrants over securities in the new investment vehicle, or the payment of an appropriate return on the Company's funding either linked to the returns generated by the new investment vehicle or to an agreed margin or other return or profit on the sum advanced or by all Shareholders having the opportunity to participate in the new project on appropriate terms through the subscription for shares in the new investment vehicle.

Unless the parties agree a different form of return or benefit at the time the Company provides funding for a new project, the Company will be entitled to receive a cash return on its funding the amount of which will be the subject of agreement in each specific case but which shall never be less than a minimum of 100% on the amount of funding provided by the Company. If a cash return of at least 100% on funding is agreed, no further approval would be needed under the Listing Rules. However, any other form of return would be assessed in accordance with Chapters 10 and 11 of the Listing Rules at the relevant time and shareholder approval sought if necessary.

The Board shall have one month from the receipt of the notification from ROL to determine, in consultation with ROL, whether the relevant conditions are met. If the Board determines that such conditions are not met ROL may resubmit the notification with an amended proposal, in which case the Board shall reconsider the proposal within 15 days from such date. Alternatively ROL may, subject to the provisions of the Amended Operating Agreement dealing with material conflicts, proceed with the new project without Company funding or cease to progress the new project, at its discretion.

The aggregate amount of funding to be provided by the Company in respect of all new projects shall not exceed £20 million. Any project costs which are repaid to the Company will replenish the amount of Company funding that may be available to ROL to fund other project costs to the extent of such repaid amount (but for the avoidance of doubt any return or profit on funding will be disregarded when calculating the amount of funding available).

Sums advanced by the Company to fund new projects will be repayable:

- (a) on the completion by the new investment vehicle of one or more equity fundraising(s) from external investors (i.e. excluding members of the Resolution Group and their affiliates) aggregating at least £50 million, at which point the funds will be repayable together with any agreed return or profit on the funding; or
- (b) two years after the new investment vehicle raises sufficient funds from any source to repay the amount funded by the Company in respect of the relevant new project, such repayment being together with any agreed return or profit on the funding if the amount of funds raised by the Company from other sources is sufficient also to pay such return or profit.

There may, therefore, be circumstances in which sums advanced by the Company for the purposes of funding new projects will not be repaid.

In the event that the benefit proposed for Shareholders in respect of any new project comprises a commitment to allow Shareholders to participate in any public offering in respect of the relevant new investment vehicle or an issue of securities or warrants over securities in the relevant new investment vehicle and:

- (a) the relevant investment vehicle completes one or more equity fundraising(s) from external investors (i.e. excluding members of the Resolution Group and their affiliates) of at least £50 million without undertaking a public offering or without issuing the Company with the relevant securities or warrants (as applicable); or

- (b) two years has elapsed since the relevant investment vehicle has raised funds from other sources sufficient to repay the amount funded by the Company without the vehicle having undertaken a public offering or having issued the relevant securities or warrants (as applicable),

the Company may require ROL to repay the relevant project costs. A pre-agreed return or profit on its investment not being less than 100% in cash will also be payable in lieu of the commitment to allow Shareholders to participate in any public offering or to issue the relevant securities or warrants to the Company (as applicable) if the amount of funds raised by the Company from other sources is sufficient to pay such return or profit.

If the Board determines at any time, that, in its reasonable opinion, a project which the Company has funded is inconsistent with the scope set out in the first sub-paragraph (a) above of this section headed “*Company funding*” or no longer confers an appropriate benefit to the Company or the Shareholders taken as a whole, the Company shall notify ROL of that as soon as possible, whereupon it shall cease to be obliged to provide any further funding to the new project. In such circumstances the Company shall be entitled to repayment of the relevant funding, which ROL shall repay within two years of the relevant notice. In addition, ROL shall be obliged to pay an agreed return on such funding (not being less than a 100% minimum) when it would otherwise be required to pay such return (i.e. following a successful capital raising reaching the thresholds described above).

Reduction in operating fee

If ROL manages, advises or provides similar services to a new project the annual operating fee payable by the Company to ROL shall be reduced by £2 million x P, where P is the proportion of projects by number managed by ROL outside the UK Life Project. So, for example, if at some point ROL were to provide services to the UK Life Project and two other separate project vehicles, the Company would benefit from a reduction in annual operating fee of two-thirds of £2 million.

(F) Conflicts

ROL's obligation to refer all acquisitions within the scope of the Company's strategy (as announced at the time of the Initial Listing) will be amended to reflect the reduced scope of the Company's activities during the execution of the UK Life Project and ROL's freedom, in certain circumstances, to pursue other projects.

Specifically, ROL has agreed that until the UK Life Project Completion Date it will refer to the Company all In-Scope Acquisitions and any acquisitions where all or a majority by value of the target group comprises In-Scope Acquisitions, in each case which it becomes aware of and which it considers suitable for the Company. ROL will not refer such acquisitions to any other party.

From the UK Life Completion Date until the next date on which the Company launches a project, to the extent the Amended Operating Agreement remains in force, ROL will revert to its previous obligation of referring all potential acquisitions within the Company's strategy (as announced at the time of the Initial Listing) of which it becomes aware to the Company. However, this obligation will now not apply where the potential acquisition opportunity falls within the scope of a new project notified to the Company by ROL pursuant to the Amended Operating Agreement not less than one month prior to the UK Life Completion Date and which has not been vetoed by the Company pursuant to its veto right described above.

The Amended Operating Agreement will not retain the provisions in the Operating Agreement prohibiting ROL from providing advisory, management or other services or sponsoring or otherwise

investing in any investment vehicle without the consent of Shareholders. Instead, ROL will agree not to provide such services or take such actions otherwise than in accordance with the Amended Operating Agreement (*see "New ROL projects", above*).

If the Company elects not to proceed with a proposal referred to it by ROL, ROL shall be free to implement the proposal independently of the Company. However, ROL will be required:

- (a) in accordance with current custom and practice, to provide the Company with reasonable details regarding potential acquisitions which involve companies, businesses or assets part of which are In-Scope Acquisitions, where ROL is significantly engaged with its advisers or potential counterparties in evaluating, structuring or documenting such acquisition; and
- (b) to notify the Company if any new investment vehicle with which it is involved completes an acquisition one or more constituent part(s) of which comprises an In-Scope Acquisition and, if the Board confirms within three months that it reasonably believes that the relevant assets or businesses would be a strategic fit with and a financial benefit to, the UK Life Project, ROL shall procure that such assets or businesses are offered for acquisition by the Company within 12 months of their being acquired by the relevant new investment vehicle. If the Company confirms its willingness to purchase the relevant competing assets or businesses within three months of such offer (during which time the relevant new investment vehicle will not be entitled to offer them to anyone else or enter into any negotiations or discussions relating to the disposal of such assets or businesses), both parties shall use all reasonable endeavours to enter into binding sale and purchase agreements in relation to such competing assets or businesses within three months of such confirmation by the Company. If the Company elects not to purchase the relevant assets or businesses or the parties cannot agree a price for them and the Board reasonably believes, notwithstanding any non-compete arrangements proposed, that the relevant businesses or assets may compete with the UK Life Project so as to have a non-trivial detriment on its value, the Company may require ROL to use all reasonable endeavours to procure that the relevant new investment vehicle divests such competing assets or businesses within 12 months or as soon as reasonably practicable thereafter.

The Company and ROL intend that the provisions agreed in respect of new projects and conflicts relating to the UK Life Project shall apply in a similar manner to any projects which the Company undertakes after the UK Life Project Completion Date, and that if the Company undertakes a new project the parties shall amend the Amended Operating Agreement to give effect to this principle.

(G) Transfer rights

ROL shall be entitled to transfer its rights and obligations under the Amended Operating Agreement to any entity (including other members of the Resolution Group) either sponsored by a majority of the Individual Members (including Clive Cowdery) or their Connected Persons and in which a majority of the Individual Members (including Clive Cowdery) or their Connected Persons have a majority interest or in which Clive Cowdery or his Connected Persons hold(s) the largest interest, provided that:

- (a) the relevant transferee holds all necessary regulatory authorisations and is able to provide the services to the Company under the Amended Operating Agreement to the same standard that ROL has been providing such services prior to the date of transfer;
- (b) ROL will remain subject to the restrictions detailed above in relation to new projects; and

- (c) the constitutional documents of the relevant transferee contain restrictions similar to those that exist in the ROL Partnership Agreement summarised in paragraph 3 below and the relevant transferee provides commitments to the Company which are substantially similar to those provided by ROL in the Amended Operating Agreement relating to Company's rights in respect of amendments to and waivers of the relevant provisions.

(H) Additional company secretarial services

The Operating Agreement will also be expanded to cover the provision of certain additional company secretarial services to the Company. These services will be separately terminable upon a year's notice and the fee will be calculated on the same cost plus margin basis as applies to additional accounting services in the existing Operating Agreement. If the Proposed Amendments are approved, fees will be paid to ROL with effect from 1 October 2011 to reflect the fact that it has been providing services on an interim basis. If the Proposed Amendments are not approved, such fees will not be paid to ROL. However, it is likely that the Company will take steps to enter into a separate arrangement with ROL regarding the provision of company secretarial services going forward.

(I) Cap on total additional fees and funding payable by the Company

As a result of the term of the Operating Agreement being extended, the Proposed Amendments would constitute a class 1 transaction for the purposes of the Listing Rules if the fees payable under the Amended Operating Agreement were uncapped. Therefore, to ensure that the Proposed Amendments are not classified as a class 1 transaction, the Company has agreed with ROL to cap the aggregate of: (a) the fees payable as a result of the extension of the term of the Operating Agreement; and (b) the additional secretarial fees paid at any time so that the aggregate amount payable will never exceed an amount equal to: (i) the threshold for a class 1 transaction under either the consideration test (being 24.99% of the market capitalisation of the Company at close of business on 25 November 2011) or the gross assets test (being 24.99% of the Company's gross assets as set out in its interim accounts for the six months to 30 June 2011) in the Listing Rules, less (ii) the capped amount in respect of the funding to be provided for new projects under the Amended Operating Agreement, of £20 million. In the event that such cap would otherwise be exceeded, either the Company may, subject to any requirements of the Listing Rules applied at that time, agree to pay the relevant fees on an ongoing basis, terminable upon a year's notice at any time or, if it does not so agree, ROL may terminate the Operating Agreement on three months' notice. The insertion of this cap does not reflect the Board's view on the likely cost to the Company of the Proposed Amendments, which the Board believes will be significantly below the relevant cap.

(J) Restrictions on the Company's right to veto certain amendments to or waivers of provisions of the ROL Partnership Agreement

At the time of the Initial Listing, ROL and the Company agreed in the Operating Agreement that the consent of the Company would be required to amend or waive certain provisions of the ROL Partnership Agreement, as it was then in force. These provisions related to: (i) the required notice period (of at least 365 days) for the retirement of a member of ROL; (ii) the ability of ROL to immediately expel a member under certain circumstances such as dishonesty, insider dealing or market abuse, or a breach of the provisions of the agreement relating to members rights and duties to ROL or certain restrictive covenants; (iii) the obligation of Individual Members to devote substantially the whole of their working time to ROL (subject to certain limited restrictions); (iv) certain non-solicitation and non-compete provisions that applied to Individual Members for a period of one year from the date they left ROL; (v) the ability of ROL members to dispose of their partnership interests; and (vi) the requirement for the Company to give its consent to (i)-(v) above.

A number of these provisions in the ROL Partnership Agreement are to be amended as part of the Proposed Amendments, as described in section 3 below. Given that the changes currently proposed to the ROL Partnership Agreement are part of the Proposed Amendments, the Ordinary Resolution includes a provision authorising the Company to approve the amendment of the ROL Partnership Agreement in the manner described herein.

In addition, it is proposed that the Operating Agreement will be amended so that in the future the Company's right to consent to amendments to and waivers of certain of these provisions will be restricted as follows:

- the Company's right to veto the amendment to or waiver of Individual Members' obligation to give at least twelve months' notice of an intention to resign will only apply in the case of Clive Cowdery;
- the Company's right to veto the amendment to or waiver of the obligation of Individual Members to devote substantially the whole of their working time to ROL (or, if the Proposed Amendments are approved, the Resolution Group) will only apply to a change in the working requirements relating to Clive Cowdery;
- the non-solicitation provisions will only apply in respect of the solicitation of a member or employee predominantly engaged in the UK Life Project during the previous year and the non-compete provisions will apply only in respect of a business which competes with the advising of the Company on the UK Life Project; and
- the Company's right to veto the amendment to or waiver of the provisions restricting transfers of voting or economic interests in ROL will be amended so that:
 - the Company will not be entitled to withhold its consent to any disposal by an Individual Member (other than Clive Cowdery) to a Qualifying Entity or a Member at the time of such disposal nor will it be entitled unreasonably to withhold its consent to a disposal to any other third party provided the relevant transfer is not to a body corporate;
 - the Company will not be entitled to withhold its consent to any disposal by a new Individual Member (i.e. one who becomes an Individual Member after the Amended Operating Agreement comes into force); and
 - the Company will not be entitled unreasonably to withhold its consent to any disposal by Clive Cowdery to a Connected Person.

Where an Individual Member disposes of an interest to a Qualifying Entity or a Connected Person that Qualifying Entity or Connected Person will be subject to the same Company consent requirements as the relevant Individual Member was, and shall be bound to retransfer the relevant interest to the relevant Individual Member if they cease to qualify as a Qualifying Entity or Connected Person of the relevant Individual Member.

2. New Lock-Up Agreement

(A) Background

At the time of the Initial Listing RCAP GP Limited, acting in its capacity as general partner of RCAP, entered into the Lock-Up Arrangements with the Company and certain other parties pursuant to which it agreed to lock-up a proportion of the Ordinary Shares it held for a period of three years from the date of admission to trading (see paragraph 4.1 of Part III for a fuller description of these arrangements). The Lock-Up Arrangements will terminate on 10 December 2011. As part of the Proposed Amendments, RCAP GP Limited, acting in its capacity as general partner of RCAP, has agreed to enter into a new lock-up agreement over its entire holding of Ordinary Shares, thereby extending the period for which its Ordinary Shares are locked up, as well as increasing the number of such shares which are locked up. Resolution Capital Limited is also a party to the New Lock-Up Agreement as the agreement provides that the Ordinary Shares which are locked-up may be transferred intra-group and it has agreed to procure that other members of the Resolution Group would also comply with the lock-up. The New Lock-Up Agreement is without prejudice to the original lock-up deed, which shall continue in force in accordance with its terms.

(B) Summary of the New Lock-Up Agreement

Each of Resolution Capital Limited and RCAP GP Limited, acting in its capacity as general partner of RCAP, will agree not to (and to procure that each member of the Resolution Group shall not) offer, sell, agree to sell, pledge, charge, assign, grant options over or otherwise dispose of, directly or indirectly, any Ordinary Shares or interests in Ordinary Shares held at the effective date of the New Lock-Up Agreement until the UK Life Completion Date. To date RCAP GP Limited (acting in its capacity as general partner of RCAP) has invested £28 million in Ordinary Shares which will be subject to the New Lock-Up Agreement. The New Lock-Up Agreement will effectively extend the term of the Lock-up Arrangements to which the Resolution Group is currently subject, which will otherwise expire in December 2011, and increase the number of Ordinary Shares locked up.

In the event that the Company undertakes a rights issue an identical lock-up will apply to any Ordinary Shares which Resolution Capital Limited or RCAP GP Limited, acting in its capacity as general partner of RCAP, acquire using the net proceeds of the sale of any nil-paid rights accruing to it on such rights issue (but not, for the avoidance of doubt, any Ordinary Shares purchased by virtue of the exercise of its rights under such rights issue).

The restrictions in the New Lock-Up Agreement will be subject to certain customary exceptions, including for intra-group transfers, acceptance of takeover offers, participation in certain share buy-backs and the taking of any action pursuant to an order, judgment or decree of any court of competent jurisdiction. In addition ROL may sell or pledge some of their locked up Ordinary Shares solely for the purpose of co-investing in a new project provided that, immediately after such sale or pledge the remaining locked-up Ordinary Shares are not less in value than the largest investment made by the Resolution Group in any new project using the proceeds of any sale or pledge of Ordinary Shares (and taking into account the new investment itself).

3. Amended ROL Partnership Agreement

(A) Individual Members' rights and duties

Business activity of Individual Members

Individual Members will be required, until their withdrawal as a member of ROL to ensure that the activities of the Resolution Group shall be substantially their sole business activity and engage

substantially the whole of their working time. The current position under the ROL Partnership Agreement applies this provision just to the activities of ROL itself.

Waiver of business activity requirements

In order to facilitate future changes to Individual Members' time commitments to ROL, the ROL Partnership Agreement will be amended so that Individual Members will be able to seek a partial waiver of their obligation to ensure that the activities of the Resolution Group shall be substantially their sole business activity and engage substantially the whole of their working time. A waiver may be granted (normally for an initial period of 18 months and subject to annual reviews thereafter) provided the unanimous approval of the other Individual Members is obtained and, if given, shall be subject to such terms (including adjustments to the interests and rights held in ROL by the relevant Individual Member and also as to the amount of working time which must be devoted to the business of the Resolution Group) as may be stipulated by the approval. This will allow Individual Members to work part time for the Resolution Group while pursuing other interests (as described below). Except in the case of Clive Cowdery, such waivers will not require the consent of the Company.

Permitted activities and interests

Individual Members will be entitled to pursue certain business activities outside of their commitments to the Resolution Group, including the holding of non-executive directorships of for-profit organisations or charities, other charitable activities, personal financial planning activities (including business assistance to family members) the holding of passive investments and other activities of a similar nature to those permitted, provided that, in the case of holding of non-executive directorships of for-profit organisations and other activities of a similar nature, they notify the other Members and no objection is received from the Majority Member and a majority by voting interest of the Individual Members on certain prescribed grounds. The grounds for objection are that the relevant activity might reasonably give rise to a material conflict of interests with the business activities of the Resolution Group or the Company, or that the relevant activity might reasonably be expected to materially affect the ability of ROL to perform its obligations under the Operating Agreement.

The permitted activities (with the exception of the holding of passive investments) may only be conducted where they require a time commitment of less than 24 days in any rolling 12 month period, or, in the case of Individual Members whose working time requirements have been waived pursuant to the proposed amendments described above, provided they only take place outside of periods of time when such persons have undertaken to work for the Resolution Group.

(B) Restrictions on Individual Members

The non-solicitation and non-compete restrictions affecting Individual Members (in the event of the termination of their membership in ROL) will apply in respect of the activities of the Resolution Group, rather than just those of ROL (the current position under the ROL Partnership Agreement). The non-compete provisions will prevent Individual Members from participating in a business activity which is similar to, or competes with, the business of any member of the Resolution Group for a year following his withdrawal. Similarly, the non-solicitation provisions will prevent Individual Members from directly or indirectly soliciting a member, employee or client of any member of the Resolution Group, to become a member, employee or client (as the case may be) of an entity which is not part of the Resolution Group, for a year following his withdrawal.

PART III
ADDITIONAL INFORMATION

1. The Company

The Company was incorporated in Guernsey under the Companies Law on 9 October 2008, with registered number 49558. The principal legislation under which the Company operates is the Companies Law. The Company is not regulated by the FSA or any financial services or other regulator.

The Company is resident and domiciled in Guernsey and its registered and head office is at Trafalgar Court, Les Banques, St. Peter Port, Guernsey, GY1 3QL, Channel Islands.

2. Major Shareholders and interests

As at 25 November 2011 (being the latest practicable date prior to the publication of this document), the Company had been notified of the following direct and indirect substantial interests in the issued ordinary share capital of the Company:

<u>Shareholder</u>	<u>Number of Ordinary Shares</u>	<u>Approximate percentage of existing Issued Ordinary Share Capital</u>
Lloyds Banking Group Plc	134,948,945	9.81
FMR LLC	63,422,247	4.61
Aviva Plc and its subsidiaries	54,802,616	3.98
Legal & General Group Plc	52,660,432	3.83

3. Significant changes

Save as described below, there has been no significant change in the financial or trading position of the the RSL Group since 30 June 2011, being the date to which the Company's latest unaudited interim financial statements were published.

On 9 November 2011, the Company published the Interim Management Statement in respect of the period to 30 September 2011. The Interim Management Statement reported the following significant changes to the financial or trading position of the RSL Group:

- Friends Life Group plc has entered into a new 15 year outsourcing arrangement with Diligenta that is expected to deliver significant additional synergies in the coming years. The outsourcing is expected to: (a) de-risk previously targeted synergies and increase the total cost synergies to £143 million by the end of 2015; (b) have a minor positive impact on IFRS profit before tax in 2011; (c) have a positive impact on MCEV operating profit of approximately £200 million in 2011; and (d) have a positive impact on MCEV profit before tax in 2011 of approximately £80 million, after charging £120 million of implementation costs. A further £130 million of implementation costs will be recognised, as incurred from 2012 to 2014. The one-off costs relating to the outsourcing are to be met by reserve releases and existing working capital with no impact on available shareholder cash;

- the Company completed its £250 million share buy-back on 26 October 2011 and reaffirmed its intention to return a further £250 million to shareholders in the first half of 2012, subject to the delivery of planned capital synergies expected to be delivered in 2011 and following regulatory approval;
- the final 2011 dividend is expected to increase to 13.42 pence per share, taking the aggregate expected 2011 dividend to 19.89 pence per share;
- Group available shareholder cash held in Resolution and Friends Life holding companies totalled £610 million at 30 September 2011 (30 June 2011: £793 million) reflecting interest and financing costs and the share buy-back in the period;
- new business sales for Friends Life measured on an annualised premium equivalent basis for the nine months to 30 September 2011 were £880 million (30 September 2010: £705 million). UK Sales amounted to £547 million (30 September 2010: £316 million) reflecting both the increased scale of the UK business and incremental premium growth in existing corporate pension schemes. International sales momentum continued with sales up 11% to £195 million whilst Lombard sales, at £138 million, were down 35% on the exceptional sales level achieved in the comparative period in 2010; and
- the Company's regular review of business performance has identified adverse persistency experience in relation to certain products, particularly for products no longer being actively marketed. There is not expected to be a material impact on the 2011 IFRS results and the total effect of the resulting assumption change expected to be booked against the pre-tax 2011 MCEV operating result is estimated to be in the order of £40 million to £70 million.

Further details regarding these matters are included in the Interim Management Statement, which is incorporated by reference into this document.

4. Material contracts

The following contracts (not being contracts entered into in the ordinary course of business) contain obligations or entitlements which are material to the the RSL Group as at the date of this document and which Shareholders would reasonably require information about in order to make a properly informed assessment of how to vote on the Ordinary Resolution.

The descriptions set out below do not include the changes to be made to these contracts pursuant to the Proposed Amendments if the Ordinary Resolution is passed.

4.1 The Lock-up Arrangements

RCAP GP Limited, acting in its capacity as general partner of RCAP, has entered into a lock-up deed dated 5 December 2008 with Lazard & Co., Limited, Citigroup Global Markets UK Equity Limited, HSBC Bank plc, Merrill Lynch International and the Company whereby RCAP has agreed, for a period of three years from the date of admission to trading of certain Ordinary Shares which were the subject of a placing in which the counterparties to the lock-up deed acted as either financial adviser or as underwriter, not to, without the prior written consent of Lazard & Co., Limited, Citigroup Global Markets UK Equity Limited, HSBC Bank plc and Merrill Lynch International, offer, issue, sell or contract to sell, pledge, mortgage, charge, assign, grant options over or otherwise dispose of Ordinary Shares it received in the placing of shares in connection with the admission to trading (or enter into any arrangements with the same economic effect), subject to certain exceptions that are customary for arrangements of this nature or that are otherwise appropriate, including (without limitation) the right to accept a general offer for the Ordinary Shares made in accordance

with the Takeover Code.

If the Ordinary Resolution is passed at the General Meeting, the Company, Resolution Capital Limited and RCAP GP Limited, in its capacity as general partner of RCAP, will enter into the New Lock-Up Agreement as described in further detail in paragraph 2 of Part II of this document.

4.2 The Operating Agreement

The Company has outsourced most of its operating functions to ROL pursuant to the Operating Agreement entered into between the Company and ROL. The Board reviews the performance of ROL under the Operating Agreement on a semi-annual basis.

Under the Operating Agreement, ROL provides certain services to the Company, subject to the overall supervision of the Board. The services provided under the Operating Agreement include, without limitation: (i) assisting the Company with the origination and completion of new acquisitions; (ii) assessing the Company's funding requirements; (iii) advising on the reorganisation of completed acquisitions and monitoring their progress; and (iv) assisting with the disposal of assets. In addition, ROL provides the Company with accounting, regulatory, treasury, tax, investor relations, and website publication services which are required to assist the Company in operating as a listed holding company.

ROL is required, amongst other things, to:

- (i) use all reasonable care and skill in providing its services;
- (ii) have sufficient appropriately qualified personnel, and devote sufficient time and attention to the performance of its duties; and
- (iii) not knowingly do, commit or permit to be done or committed any act, matter or thing which would be reasonably likely to prejudice to a material extent or bring into disrepute the business or reputation of the Company or the Directors.

The Company has agreed that, while the Operating Agreement is in force, it will not (and it shall procure that other members of its group will not) make any acquisition or disposal that has not been recommended by ROL, except (in the case of a disposal) where the Board reasonably considers that it is necessary to make such a disposal to ensure compliance with applicable law or regulation. The Company, however, remains free to decide not to approve any acquisition or disposal recommended to it by ROL.

The Company has also agreed that (except with the prior written consent of ROL) it will not make any acquisitions or disposals other than through limited partnerships of which the Company (or a wholly owned subsidiary of the Company) is general partner and in which RCAP (and/or such other members of the Resolution Group as RCAP shall decide) holds a limited partnership interest.

ROL has, in turn, agreed to provide (and to procure that its subsidiary undertakings provide) its services exclusively to the RSL Group and not to undertake any other services or sponsor or invest in any investment vehicles during the term of the Operating Agreement, except, in each case, with the prior approval of the Shareholders by ordinary resolution. The costs of any circular to be sent to Shareholders in connection with any such approval being sought is to be borne by the Company provided that no more than one request is made by ROL in any 12 month period, and shall otherwise be borne by ROL.

ROL has also agreed that all potential transactions known to ROL or its subsidiary undertakings within Western Europe which ROL considers fall within the Company's strategy (as announced at

the time of the Initial Listing), and which it considers suitable for the Company (taking into account the Company's target return), will be referred by it to the Company. The referral obligations do not apply to investments by other members of the Resolution Group for the purpose of their own business or affairs, within certain categories of financial services businesses (comprising passive investments in funds, or investments in stock broking, investment banking and advisory businesses) in which the Company does not expect to seek acquisitions.

Where Shareholders have approved ROL or its subsidiary undertakings providing services to other persons, situations may arise in which ROL has a duty or an interest which potentially conflicts with its duties to, or the interests of, the Company. Where any such interest arises, it will be dealt with in accordance with a conflicts policy adopted by ROL in accordance with the FSA Rules.

The Operating Agreement also contains a commitment not materially to amend or waive certain undertakings given by the Individual Members to ROL and to take steps to enforce material breaches of such provisions in certain circumstances.

The Operating Agreement may be terminated by either the Company or ROL with effect from any time on or after the fifth anniversary of the date of admission to trading, subject to the receipt of 12 months' prior written notice. The Operating Agreement may also be terminated immediately by either party giving the other written notice if the other party becomes insolvent or commits a material or persistent breach of its terms. Where ROL terminates the Operating Agreement for either of these reasons it will, if requested, continue to provide its services to the Company for a period of up to six months to facilitate an orderly hand over of the services, or an orderly wind down or disposal of the Company (or any part of it), provided it is reasonably satisfied that it will continue to be paid its annual fee and expenses and that it and each relevant member of the Resolution Group continues to be adequately protected from any liability for which it is indemnified under the agreement. The exclusivity and referral obligations of ROL will not apply during this period.

ROL may terminate the Operating Agreement by giving the Company not less than six months' written notice if the Company changes its target return or strategy to such a material extent that it has a material adverse effect on ROL's ability to perform its duties under the agreement or the Company changes its sector or geographical focus; provided, in each case, that ROL serves notice to terminate within six months of such change. ROL may also terminate the Operating Agreement on not less than two months' written notice if there is a change of control of the Company. Where ROL terminates the agreement for either of these causes, it shall be entitled to receive a termination payment of £10 million less the amount of the annual fee (see below) it receives during the notice period. The Company may terminate the agreement with immediate effect if ROL ceases to be an authorised person under the FSMA or ceases to be authorised to perform its material duties under the agreement.

The Operating Agreement also provides that in the absence of fraud, negligence, wilful misconduct, illegal act or omission, or material breach of the terms of the agreement (other than any such breach which has arisen as a result of any matter beyond the control of the relevant person) by ROL or any other member of the Resolution Group, it is not to be liable to the Company and the Company is to indemnify ROL and the other members of the Resolution Group against any claims, actions, damages, demands or proceedings (and associated losses, expenses and liabilities) which may be brought against it or suffered or incurred in connection with the agreement.

The Operating Agreement also allows ROL, to the extent permitted by law and with the prior written consent of the Company: (i) to delegate any of its functions, powers, discretions, privileges and duties under the Operating Agreement to another member of the Resolution Group; and (ii) to employ other agents to perform ROL's services under the agreement or advise ROL on the performance of those services.

Where the Company is unable to comply or reasonably expects that it will be unable to comply with any material legal or regulatory obligation due to ROL having failed to provide any of its services, the Company may appoint a third party as a temporary provider of such services in ROL's place. The cost of such temporary services provider shall be deducted from ROL's annual fee for the period of its appointment. Either party may terminate the Operating Agreement on six months' notice if a temporary services provider has been providing services to the Company continuously for at least six months provided that ROL shall have a right to terminate only if its annual fee shall have reduced by at least 25 per cent. As a result of the appointment of the temporary services provider and it has demonstrated that it is able to recommence providing the relevant services but the Company shall have unreasonably refused to terminate the temporary services provider's appointment.

The Company paid ROL a formation fee of £1 million on admission to trading, and pays an annual fee and certain expenses reasonably incurred by ROL on behalf of the Company.

The Operating Agreement was amended and restated under an amendment agreement dated 7 September 2009. Pursuant to the amendment agreement, ROL has agreed to provide the Company with:

- (i) certain group finance services which were previously expected to be provided by an administrator appointed by the Company, with effect from 1 November 2009; and
- (ii) upon request by the Board, certain services associated with capital raisings (either alone or in conjunction with investment banks) which were previously outside the scope of the services to be provided by ROL under the Operating Agreement.

The Company pays ROL an additional annual fee for the additional group finance services that are provided, calculated on the basis of the aggregate remuneration cost to ROL of employing appropriate individuals to undertake the relevant services plus a margin of 20 per cent. Either party may terminate ROL's provision of these additional group finance services upon 12 months' notice in writing, although ROL has agreed to continue to provide these services for six months post-termination to facilitate an orderly handover in some circumstances. The Company has agreed to bear certain employee termination costs incurred by ROL in the event that it terminates ROL's provision of these additional group finance services or if ROL terminates the Operating Agreement upon a change of control or due to a change in the Company's strategy or an increase in its target return.

Where the Company requests ROL to undertake (or procure that another member of the Resolution Group undertakes) the additional capital raising services, it will pay a fee to the relevant member of the Resolution Group in respect of those services which may vary depending on the nature of the services being undertaken and prevailing market rates for the same or similar service, but will, in any event, not exceed 2 per cent of the gross proceeds of the relevant capital raising.

The Operating Agreement and the amending agreement are each governed by English law.

If the Ordinary Resolution is passed at the General Meeting, the Operating Agreement will be amended on the terms contained in the Amended Operating Agreement as described in further detail in paragraph 1 of Part II of this document.

4.3 The Limited Partnership Agreement

The Company, as general partner and RCAP GP Limited (acting in its capacity as general partner of RCAP) and RCAP Investments S.à.r.l, both as limited partners, (the "**Limited Partners**") and together with the Company, the "**Partners**"), have entered into the Limited Partnership Agreement dated 4 December 2008 constituting the Limited Partnership for the purpose of generating returns

for the Partners by making acquisitions of financial services businesses, implementing reorganisation plans and making disposals of such acquired assets on the basis set out in this document. The Limited Partnership Agreement was amended and restated by agreements dated 8 September 2009 and 14 September 2010.

The Company has exclusive responsibility for the management and control of the business of the Limited Partnership and the management of its assets and has full power, responsibility and authority to do all things necessary to carry out the purpose of the Limited Partnership. The Company, its associates, officers, directors, agents and employees are entitled to be indemnified out of the assets of the Limited Partnership against any liabilities, losses, damages, costs or expenses incurred in connection with any claims in connection with the business, assets and activities of the Limited Partnership or by reason of their having been the general partner, associate, officer, director, agent or employee of the general partner or its associates, except to the extent that such liability resulted from its or their negligence, fraud, wilful misconduct or illegal act or omission in the performance of its or their duties or obligations.

The Company may make a capital contribution to the Limited Partnership from time to time whenever (and to the extent that) it considers it necessary for the purpose of making an acquisition or the payment of partnership expenses or other amounts payable by or on behalf of the Limited Partnership, subject (unless the Limited Partners agree otherwise) to a maximum aggregate capital contribution by the Company of £25 billion. Any capital contributions made by the Company may be made in cash or assets which, in the case of assets, shall be valued at their fair market value, on a basis set out in the agreement, or as otherwise agreed between the Partners. Subject to deductions for partnership expenses, partnership capital and profits shall be allocated, first, to the Company up to the amount of its aggregate capital contribution to the Limited Partnership plus an amount equal to the compounded annualised return on such capital contribution, (calculated on the basis of the mechanism described in the definition of "Agreed Return" in this document) and thereafter, simultaneously to the Partners pro rata to their respective partnership proportions of 90 per cent for the Company and 10 per cent, in aggregate, for the Limited Partners. Distributions may be made in cash or, where the assets are held by or distributed into a company that will, immediately following distribution, be listed on a recognised market, in specie. Where a distribution is being made to the Company in specie, the entitlement of the Limited Partners to share in the distribution will be determined on the basis of the average market price of the newly listed shares over a 40 day period commencing with the date of listing. Instead of a distribution in specie, the Limited Partners may elect to receive their associated distributions in cash. In this case, the Limited Partnership will be required to retain an interest of at least 10 per cent of the shares in the newly listed company, which must then be realised, to the extent necessary to satisfy the Limited Partners' distribution entitlements in cash, within three months of the end of the 40 day period referred to above. If the amount raised is insufficient to cover the cash distribution, the remaining amount will be rolled forward and satisfied when the Limited Partnership makes any further distribution.

Where the Company proposes to transfer any of the assets of the Limited Partnership to another limited partnership of which it is the general partner and RCAP and RCAP Investments S.à.r.l are the Limited Partners, the price at which such assets will be transferred shall be the lesser of: (i) the acquisition value allocated to such assets by the Company and used in its statutory accounts (or where such assets do not fully correlate with the businesses or asset classes to which an allocated acquisition value was so attributed, such value as the Company in consultation with its auditor determines would have been the allocated acquisition value of such assets at the time of acquisition); and (ii) the current market value of the assets, assuming an arm's length sale between unconnected parties (which shall be calculated by a third-party valuer, but only if required by the Company acting as general partner of the acquiring partnership). The consideration for any such transfer of assets must be paid at the date of completion of the transfer.

Under the terms of the Limited Partnership Agreement, the Company will purchase the interests of the Limited Partners in the Limited Partnership upon: (i) the date on which any takeover for the Company becomes or is declared wholly unconditional; (ii) the date on which any scheme of arrangement of the Company becomes effective; or (iii) otherwise the date on which any person or persons acting in concert (within the meaning ascribed to it in the Takeover Code) who did not previously have control of the Company acquires ownership of, or an entitlement to acquire ownership of, a majority of the issued ordinary share capital or the voting rights of the Company (each, an "offer"). The price for each Limited Partner's interest shall be equal to a notional profit distribution of an amount equal to the total consideration payable for the entire share capital of the Company (calculated on a fully-diluted basis) pursuant to the offer, less any cash or equivalents (other than borrowings) held by the Company. Where there is more than one class of shares of the Company in issue, the total offer price shall be deemed to include the aggregate value of such other classes of shares, being either the highest price offered for the acquisition of such shares in connection with the offer, or if no offer or acquisition has been made at the relevant time, the value at which such shares were issued. Consideration for the interests must be paid in cash or, at the discretion of the Limited Partners (subject to there being a sufficient authority to issue shares), in Ordinary Shares valued at the average closing middle market price of each share or other equity security issued by the Company over the 40 business days immediately prior to the announcement of the offer for the Company.

The Limited Partnership Agreement survives termination of the Operating Agreement and the rights and obligations of the parties under the Limited Partnership Agreement (including, without limitation, the Resolution Group's right to receive a return in accordance with that agreement, if it ever becomes payable) is therefore not be affected by any termination of the Operating Agreement.

The Limited Partnership Agreement is governed by Guernsey law.

On 28 November 2011, RCAP Investments S.à.r.l transferred its limited partnership interest to RCAP GP Limited (acting in its capacity as general partner of RCAP). Consequently it is anticipated that in due course the Company and RCAP GP Limited (acting in its capacity as general partner of RCAP) will enter into an amended and restated Limited Partnership Agreement reflecting RCAP Investments S.à.r.l's exit from the partnership. This amendment and restatement of the Limited Partnership Agreement will not affect the Company's rights and obligations.

5. Related party interests

Clive Cowdery and John Tiner (with Ian Maidens and Jim Newman as their alternates) are directors of Friends Life Group UK plc, a subsidiary of the Company, and hence they are related parties of the Company for the purposes of the Listing Rules. ROL is deemed to be a related party of the Company as it is considered, for the purposes of the Listing Rules, to exert significant influence over the Company and it is an associate of Clive Cowdery. RCAP and Resolution Capital Limited, as associates of Clive Cowdery, are also deemed to be related parties of the Company for the purposes of the Listing Rules. Neither ROL, Resolution Capital Limited, Clive Cowdery nor John Tiner hold any Ordinary Shares directly. However, as at 25 November 2011 (being the latest practicable date prior to the publication of this document), RCAP GP Limited (acting in its capacity as general partner of RCAP) was interested in 8,247,184 Ordinary Shares, representing 0.6% of the issued ordinary share capital of the Company. RCAP GP Limited (acting in its capacity as general partner of RCAP) has undertaken not to vote its Ordinary Shares in connection with the Ordinary Resolution and thus the various related party interests referred to in this paragraph are not expected to have any effect on the Proposed Amendments.

6. Related party transactions

Clive Cowdery and John Tiner work for ROL and other members of the Resolution Group, with ROL in turn having entered into agreements to provide services to the Company. There is therefore no direct contractual relationship between the Company, Clive Cowdery and John Tiner.

However, the Company is a party to the following related party transactions with other members of the Resolution Group:

- (a) the Lock-up Arrangements referred to in paragraph 4.1 of this Part III above;
- (b) the Operating Agreement referred to in paragraph 4.2 of this Part III above;
- (c) the Limited Partnership Agreement referred to in paragraph 4.3 of this Part III above; and
- (d) the trade mark licence agreement dated 4 December 2008 between the Company and Resolution (Brands) Limited ("**Brands**"), a company wholly owned by Clive Cowdery, a partner in ROL, under which Brands has granted to the Company a non-exclusive licence to use the name "Resolution" in the UK and Western Europe subject to the terms and conditions therein. The Company has paid to Brands a fee of approximately £100,000 per annum in respect of each of the years commencing 4 December 2009 and 4 December 2010, with the fee increasing annually in line with the retail price index.

7. General

7.1 Advisers and consents

The Directors have received advice from Lazard & Co., Limited.

Lazard & Co., Limited has given and has not withdrawn its written consent to the issue of this document and the references herein to its name in the form and context in which they appear.

7.2 Costs of the Circular

Pursuant to the terms of the current Operating Agreement, the Company is responsible for all costs incurred in the preparation and publication of this Circular.

8. Documents available for inspection

Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Company and at the offices of Herbert Smith LLP at Exchange House, Primrose Street, London EC2A 2HS from the date of this document up to and including the date of the General Meeting:

- (a) the memorandum and articles of incorporation of the Company;
- (b) the unaudited results of the RSL Group for the period for the 6 months to 30 June 2011;
- (c) the Annual Reports and Accounts of the RSL Group for the years ended 31 December 2010 and 31 December 2009
- (d) the Interim Management Statement;
- (e) the written consent referred to in paragraph 7.1 above;
- (f) this document and the Form of Proxy;
- (g) the Amended Operating Agreement; and

(h) the New Lock-Up Agreement.

The above documentation will also be available for inspection on the date and at the place of the General Meeting for at least 15 minutes before the General Meeting is held until its conclusion.

9. Incorporation by reference

The Interim Management Statement has been incorporated by reference into this document. A copy of the Interim Management Statement can be accessed at the National Storage Mechanism.

28 November 2011

PART IV
DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

"£"	means the lawful currency of the United Kingdom;
"Agreed Return"	in the context of the Limited Partnership Agreement, means a compounded annualised return on deployed equity capital, calculated on the basis of the higher of: (i) the annualised gross redemption yield on three-year UK gilts, as shown on the FT.com website on the date on which the Company (in its capacity as general partner) makes its first equity capital contribution to the Limited Partnership (the "Relevant Date") or, if the relevant gross redemption yield is not available from FT.com on such day, the gross redemption yield on the UK fixed interest gilt with a maturity date closest to the day three years after the Relevant Date as available from the UK Debt Management Office (or any successor); and (ii) 4.0 per cent per annum, and shall be reset on the same basis at each 3 year anniversary of the Relevant Date;
"Amended Operating Agreement"	means the amended operating agreement dated 28 November 2011 entered into between the Company and ROL, the principal terms of which are summarised in Part II of this document;
"Amended ROL Partnership Agreement"	means the amended ROL partnership agreement dated 28 November 2011 entered into between Clive Cowdery, John Tiner, Ian Maidens, James Newman, Resolution Financial Markets LLP, Resolution Capital Limited and ROL;
"Board"	means the board of directors of the Company;
"Chairman"	means the chairman of the Board;
"Circular"	means this document;
"Companies Law"	means the Companies (Guernsey) Law, 2008, as amended;
"Company" or "RSL"	means Resolution Limited, a company incorporated with limited liability in Guernsey under the Companies Law on 9 October 2008, with registered number 49558;
"Computershare"	means Computershare Investor Services PLC;
"Connected Person"	means in respect of any Individual Member: (i) members of their family (including their spouse, civil partner or any other person with whom that Individual Member lives as a partner in an enduring family relationship), children, step children and parents; (ii) any person acting in the capacity as a trustee of a trust, the principal beneficiaries of which are

that Individual Member or a person who by virtue of paragraph (i) is connected with him; and (iii), in the case of Clive Cowdery, the Resolution Foundation;

"CREST" or "CREST system"	means the paperless settlement procedure operated by Euroclear enabling system securities to be widened otherwise than by certificates and transferred otherwise than by written instrument;
"Directors"	the directors of the Company, or the directors from time to time of the Company, as the context requires, and "Director" is to be construed accordingly;
"Euroclear"	means Euroclear UK & Ireland Limited;
"Form of Instruction"	means the form of instruction accompanying this document for use by Share Account Shareholders who hold their Ordinary Shares within the Resolution Share Account in connection with the General Meeting;
"Form of Proxy"	means the Form of Proxy enclosed with this Circular for use at the General Meeting;
"FSA"	means the UK Financial Services Authority;
"FSA Rules"	means the rules of the FSA as set out in the FSA Handbook of Rules and Guidance, as amended, varied, substituted or replaced from time to time;
"FSMA"	means the Financial Services and Markets Act 2000 of the UK, as amended;
"General Meeting"	means the general meeting of the Company to be held at 11.00 a.m. on 13 January 2012 to approve the Ordinary Resolution;
"Guernsey"	means the island of Guernsey;
"Individual Members"	means Clive Cowdery, John Tiner, Ian Maidens and Jim Newman, together with any person (not being a body corporate) who joins ROL as a new member;
"Initial Listing"	means the admission of the Company's equity shares to a Standard Listing on the Official List and dealing in the London Stock Exchange in December 2008;
"In-Scope Acquisition"	means an acquisition of any of the following: <ul style="list-style-type: none">(A) a UK life company;(B) for as long as any member of the RSL Group (which may include Friends Provident International Limited) is a member of the Association of International Life Offices and is carrying on long-term insurance business, a member of the

Association of International Life Offices, or the long-term insurance business carried on by such company or association;

(C) for as long as any member of the RSL Group (which may include Lombard International Insurance Limited) carries on an estate planning business, a European-based estate planning business; or

(D) a UK asset management business, where the Board reasonably believes that such acquisition would offer the potential for a strategic fit with, and financial benefit to, the UK Life Project provided that (without limitation) a UK asset management business which predominantly manages retail funds, or a UK asset management business which predominantly sells via bank distribution, will not be taken to satisfy such potential;

"Interim Management Statement" means the interim management statement dated 9 November 2011 relating to the three months to 30 September 2011;

"Limited Partnership" means Resolution Holdco No.1 LP;

"Listing Rules" means the listing rules made by the Financial Services Authority under Part VI of FSMA;

"Limited Partnership Agreement" means the limited partnership agreement in respect of the Limited Partnership between Company and RCAP GP Limited (acting in its capacity as general partner of RCAP).

"Lock-Up Arrangements" means the lock-up agreement deed dated 5 December 2008 between RCAP GP Limited, acting in its capacity as general partner of RCAP, Lazard & Co., Limited, Citigroup Global Markets UK Equity Limited, HSBC Bank plc, Merrill Lynch International and the Company;

"London Stock Exchange" means London Stock Exchange plc;

"Majority Member" means (if any) the Individual Member who holds 50 per cent. or more of the total voting interests then outstanding in ROL;

"Market Consistent Embedded Value" means a basis upon which certain supplementary financial information is prepared in accordance with the European Insurance CFO Forum Market Consistent Embedded Value Principles, issued in June 2008, and re-issued in amended form in October 2009;

"New Lock-Up Agreement" means the new lock-up agreement dated 28 November 2011 between the Company, Resolution Capital Limited, and RCAP GP Limited, acting in its capacity as general partner of RCAP;

"Northern Trust" means Northern Trust International Fund Administration

	Services (Guernsey) Limited;
"Notice of General Meeting"	means the notice of the General Meeting set out at the end of this document;
"Official List"	means the Official List maintained by the UKLA;
"Operating Agreement"	means the operating agreement dated 4 December 2008 between the Company and ROL (as amended);
"Ordinary Resolution"	means the ordinary resolution set out in the Notice of General Meeting;
"Ordinary Shares"	means the ordinary shares of no par value in the capital of the Company;
"Proposed Amendments"	the proposals agreed between the Company and ROL which will require: (a) amendments to be made to the terms of the Operating Agreement and the ROL Partnership Agreement; and (b) certain affiliates of RCAP to enter into a new lock-up agreement in respect of their holdings of Ordinary Shares;
"Qualifying Entity"	means any entity or undertaking in which a majority of the Individual Members including Clive Cowdery (together with one or more of their Connected Persons) have a majority interest or in which Clive Cowdery (together with one or more of his Connected Persons) directly or indirectly, holds the largest interest;
"RCAP"	means RCAP Guernsey LP, a limited partnership established under Guernsey Law with registered number 1115;
"Registrar"	means Computershare Investor Services (Jersey) Limited, or any other registrar appointed to the Company from time to time;
"Resolution Group"	means ROL, Resolution Financial Markets LLP, RCAP, Resolution Capital Limited (UK Company Number 6726654) and their respective subsidiaries and subsidiary undertakings from time to time (and, for the avoidance of doubt, neither the RSL Group nor the Company are part of the Resolution Group);
"Resolution Share Account"	means the arrangement pursuant to which certain beneficial holders of Ordinary Shares hold their interests through Computershare Company Nominees Limited, in whose name the relevant Ordinary Shares are registered;
"ROL"	means Resolution Operations LLP, a UK limited liability partnership authorised by the FSA with registered number OC339989;
"ROL Partnership Agreement"	means the ROL Fourth Amended and Restated Limited

Liability Partnership Agreement dated 20 May 2011;

"RSL Group"	means the Company, its subsidiary undertakings, Resolution HoldCo No. 1 LP and any other limited partnership of which the Company is general partner from time to time and the companies or businesses they acquire (directly or indirectly) from time to time, and does not include the Resolution Group;
"Share Account Holder"	means a holder of Ordinary Shares who holds his interest through a nominee, in whose name the relevant Ordinary Shares are registered;
"Shareholder"	means a holder of Ordinary Shares from time to time;
"Standard Listing"	means the listing by the FSA of the entire ordinary share capital of the Company on the Official List in accordance with Chapter 14 of the Listing Rules (known as a Secondary Listing prior to 6 April 2010);
"Takeover Code"	means the City Code on Takeovers and Mergers;
"UKLA" or "UK Listing Authority"	means the FSA in its capacity as the competent authority for listing in the UK pursuant to Part VI of FSMA;
"UK Life Completion Date"	means the date on which the Company makes an announcement through an regulatory information service that completion of the UK Life Project has occurred;
"UK Life Project"	means the Company's current restructuring project in the life and asset management sectors, and in particular the sectors referred to in the definition of In-Scope Acquisitions;
"United Kingdom" or "UK"	means the United Kingdom of Great Britain and Northern Ireland; and
"Western Europe"	means Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, The Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the UK.

PART V

RESOLUTION LIMITED

(Incorporated in Guernsey with registered no. 49558)

(the "**Company**")

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a **GENERAL MEETING** of the Company will be held at 11.00 a.m. on 13 January 2012 at Trafalgar Court, Les Banques, St. Peter Port, Guernsey, Channel Islands.

ORDINARY RESOLUTION

THAT

- (a) the terms of the Amended Operating Agreement and the New Lock-Up Agreement (particulars of which are summarised in Part II of the circular accompanying the notice of the meeting (the "**Circular**")) be and are hereby approved and that the Directors be and are hereby authorised to take all such steps as may be necessary or desirable in relation thereto and to implement the same with such non-material modifications, variations, revisions or amendments as they shall deem necessary, expedient or desirable; and
- (b) the Company's consent to the amendment of the ROL Partnership Agreement in the manner described in Part I of the Circular be and is hereby approved and that the Directors be and are hereby authorised to consent to the amendment thereof with such non-material modifications, variations, revisions or amendments as they shall deem necessary, expedient or desirable.

Dated: 28 November 2011

By order of the Board

For and on behalf of

Northern Trust International Fund Administration Services (Guernsey) Limited

Company Secretary

Registered in Guernsey with No: 49558

Registered office: Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands

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 meeting whether by show of hands or on a poll. A proxy need not be a shareholder of the Company. A Form of Proxy which may be used to make such appointment and give proxy instructions accompanies this Notice. A shareholder may appoint more than one proxy in relation to the General Meeting 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 notes 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 the shareholder helpline on +44 (0)870 707 1444 or the Company's registrars either 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 proxy processing agent of the Company's registrars, Computershare Investor Services PLC ("Computershare") at The Pavilions, Bridgewater Road, Bristol BS99 6ZY by no later than 11.00 a.m. on 11 January 2012, in hard copy form, either by post, by courier or by hand.
3. 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).
4. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
5. 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, should refer to their CREST sponsor or voting service providers, who will be able to take the appropriate action on their behalf.
6. 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'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 11.00 a.m. on 11 January 2012. 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 are 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.
7. 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. 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/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.

8. 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.
9. The return of a completed Form of Proxy or any CREST Proxy Instruction will not prevent a shareholder attending the meeting and voting in person if he/she wishes to do so.
10. The Company specifies that, pursuant to Article 18.6 of the Company's articles of incorporation, only those shareholders included in the register of members as at 11.00 a.m. on 11 January 2012 or, in the event that the meeting is adjourned, in the register of members 48 hours before the time of any adjourned meeting, 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 11.00 a.m. on 11 January 2012 or, in the event that the meeting is adjourned, in the register of members 48 hours before the time of any adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting (or any adjourned meeting).
11. Any corporation which is a member may appoint more than one corporate representative to represent it and vote on its behalf at a meeting, provided that where more than one corporate representative seeks to vote on a poll in respect of the same shares, their votes shall be disregarded if they each vote in a different manner.
12. If you are receiving this document because you are a nominated person (i.e. an indirect shareholder who holds shares via a stockbroker or other nominee) it is sent for information only. You may have the right to be appointed a proxy by the registered shareholder to attend, speak and vote at the meeting. You may also be able to give your voting instructions to the registered shareholder. Please contact your stockbroker or nominee administrator.
13. If you are a Share Account Holder, please complete the Form of Instruction which you have been sent by post and return it to the proxy processing agent of the Company's registrars, Computershare Investor Services PLC, The Pavilions, Bridgewater Road, Bristol BS99 6ZY or give your instructions online by going to the Investor Relations page at www.resolution.gg and clicking on the "General Meeting Information" link on the left-hand side of the screen by no later than 11.00 a.m. on 9 January 2012. If you do not have a Form of Instruction and believe that you should have one, or if you require additional forms, please contact the shareholder helpline on +44 (0)870 707 1444 or the proxy processing agent of the registrar by email to web.queries@computershare.co.uk or, in writing, to Computershare Investor Services PLC, The Pavilions, Bridgewater Road, Bristol BS99 6ZY.
14. Voting on the 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 available on the Company's website at www.resolution.gg as soon as practicable following the conclusion of the meeting.
15. If you have opted to receive email notification, our obligation to notify you will be satisfied when we transmit the notification that documents are available on the Company's website on www.resolution.gg to the email address you provided, but 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. If you are not resident in the European Economic Area, it is your responsibility to ensure that you 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.

16. You may not use any electronic address provided either in this Notice of General Meeting or any related documents (including the Form of Proxy) (if any) to communicate with the Company for any purposes other than those expressly stated.
17. The total issued share capital of the Company as at 25 November 2011 is 1,376,188,989 ordinary shares of no par value each, none of which are held in treasury.