

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

RESOLUTION LIMITED

(incorporated and registered in Guernsey under company number 49558)

Notice of Annual General Meeting

to be held at 11.00 a.m. on 17 May 2012
at The St. Pierre Park Hotel, St. Peter Port, Guernsey, Channel Islands
and simultaneously broadcast to The Queen Elizabeth II Conference Centre, Broad Sanctuary,
Westminster, London SW1P 3EE, United Kingdom

Whether or not you propose to attend the AGM, please complete and submit a Form of Proxy or, if you are a Resolution Limited Share Account holder, a Form of Instruction, in each case in accordance with the enclosed instructions. Forms of Proxy must be received by no later than **11.00 a.m. on 15 May 2012** and Forms of Instruction by no later than **11.00 a.m. on 13 May 2012**.

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

16 April 2012

Dear Shareholder,

Annual General Meeting – 17 May 2012

This year's Annual General Meeting (the "**AGM**") will be held in the La Fontaine Suite at The St. Pierre Park Hotel, St. Peter Port, Guernsey, Channel Islands on 17 May 2012 at 11.00 a.m. In case you wish to attend in London, there will be a simultaneous broadcast of the AGM in the Mountbatten Room at the Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London, SW1P 3EE. The formal notice of the AGM (the "**Notice**") is set out on pages 4 to 6 of this document.

Business of the AGM

Full details of the AGM and the resolutions to be put to shareholders are set out in the Notice. Explanatory notes to each of the resolutions are also included with the Notice.

Proceedings at the AGM

The AGM gives the Board the opportunity to present the Company's performance and future prospects to shareholders and to respond to any questions that shareholders might have. If you wish to ask any questions at the AGM, please register them with the Company in advance of the AGM or at the allocated question registration points at the meeting venues in Guernsey and in London. Questions can be registered prior to and during the course of the AGM, and while the Board will endeavour to answer all questions raised at the AGM, irrespective of whether they have been pre-registered, priority will be given to those shareholders who have pre-registered their question(s).

Scrip Dividend Scheme

The Company's scrip dividend scheme (the "**Scrip Dividend Scheme**"), which was approved at the 2010 AGM, enables shareholders to elect to receive new shares in the Company in lieu of any cash dividend declared on or before 18 May 2015, including the final dividend proposed to be declared at the AGM and paid on 21 May 2012 (the "**Final Dividend**"). An expected timetable of events in relation to the Final Dividend is set out at the end of this letter. Full details of the Scrip Dividend Scheme, including how to join, are available at www.resolution.gg by going to the Investor Relations page and clicking on the "Dividend Timetable" link on the left-hand side of the screen. Alternatively, you can request a mandate form in writing from Computershare Investor Services (Jersey) Limited at Queensway House, Hilgrove Street, St. Helier, Jersey JE1 1ES, which may be returned to the same address or to Computershare Investor Services PLC ("**Computershare**") at The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, or you can request a form by contacting Computershare on +44 (0)870 707 1444. If you have elected to join the Scrip Dividend Scheme your mandate will remain in force until you cancel it in writing.

Voting at the AGM

If you are unable to attend the AGM, there are several ways to register your vote depending on the way in which you hold your shares in the Company. Full details are set out in the Notice.

Recommendation

The Board is unanimously of the opinion that all of the resolutions to be put to the AGM are in the best interests of the Company and its shareholders as a whole and therefore recommend that you vote in favour of each of them, as the directors intend to do in respect of their own holdings.

We look forward to welcoming you to the AGM.

Yours sincerely,

Michael Biggs
Chairman

EXPECTED TIMETABLE OF EVENTS FOR FINAL DIVIDEND

Date	Event
18 April 2012	Shares in the Company quoted ex-dividend
18 April - 24 April 2012	Dealing days for calculating the price of the new shares to be offered pursuant to the Scrip Dividend Scheme for the Final Dividend (the " New Shares ")
20 April 2012	Record date for the Final Dividend
4 May 2012 (5.00 p.m.)	Final time and date for receipt of Dividend Election Input Messages or Mandate Forms (as applicable)
17 May 2012 (11.00 a.m.)	Annual General Meeting of the Company
18 May 2012	Posting of Final Dividend cheques and share certificates in respect of the New Shares
21 May 2012	Final Dividend payment date and first day of dealing in the New Shares

Resolution Limited (the “Company”)

(incorporated and registered in Guernsey under company number 49558)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2012 Annual General Meeting of shareholders of the Company (the “AGM”) will be held at 11.00 a.m. on 17 May 2012 at The St. Pierre Park Hotel, St. Peter Port, Guernsey, Channel Islands and simultaneously broadcast to The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1P 3EE, United Kingdom. The business of the AGM will be to consider and, if thought fit, pass the following resolutions, of which Resolutions 1 to 22 (inclusive) will be proposed as ordinary resolutions and Resolutions 23 and 24 will be proposed as special resolutions.

ORDINARY RESOLUTIONS

- | | |
|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| Resolution 1 | TO receive the Directors’ Report and Accounts for the financial year ended 31 December 2011 together with the report of the auditors of the Company. |
| Resolution 2 | TO approve the Directors’ Remuneration Report for the financial year ended 31 December 2011. |
| Resolution 3 | TO re-appoint Ernst & Young LLP as auditors of the Company until the conclusion of the next Annual General Meeting of the Company. |
| Resolution 4 | TO authorise the Board to determine the remuneration of the auditors of the Company. |
| Resolution 5 | TO re-elect Jacques Aigrain as a director of the Company. |
| Resolution 6 | TO re-elect Gerardo Arostegui as a director of the Company. |
| Resolution 7 | TO re-elect Michael Biggs as a director of the Company. |
| Resolution 8 | TO re-elect Mel Carvill as a director of the Company. |
| Resolution 9 | TO re-elect Fergus Dunlop as a director of the Company. |
| Resolution 10 | TO re-elect Phil Hodkinson as a director of the Company. |
| Resolution 11 | TO re-elect Denise Mileham as a director of the Company. |
| Resolution 12 | TO re-elect Peter Niven as a director of the Company. |
| Resolution 13 | TO re-elect Gerhard Roggemann as a director of the Company. |
| Resolution 14 | TO re-elect Tim Wade as a director of the Company. |
| Resolution 15 | TO approve the election of Andy Briggs as a director of Friends Life Group plc. |
| Resolution 16 | TO approve the election of Peter Gibbs as a director of Friends Life Group plc. |
| Resolution 17 | TO approve the election of Mary Phibbs as a director of Friends Life Group plc. |

- Resolution 18 TO approve the election of Tim Tookey as a director of Friends Life Group plc.
- Resolution 19 TO approve the re-election of Clive Cowdery as a director of Friends Life Group plc.
- Resolution 20 TO approve the re-election of John Tiner as a director of Friends Life Group plc.
- Resolution 21 TO declare a final dividend of 13.42p per share on the ordinary shares of the Company.
- Resolution 22 THAT the Board be and is hereby generally and unconditionally authorised to issue shares in the Company, and to grant rights to subscribe for or convert any security into shares in the Company, in accordance with Article 4.3 of the Articles of Incorporation of the Company:

(A) up to a number of 458,729,663 ordinary shares in the Company (equal to one-third of the ordinary shares in issue as at the date of publication of this notice) (such number to be reduced by any issues or grants made under paragraph (B) below in excess of an equivalent number); and

(B) up to a number of 917,459,326 ordinary shares in the Company (equal to two-thirds of the ordinary shares in issue as at the date of publication of this notice) (such number to be reduced by any issues or grants made under paragraph (A) above) solely in connection with an offer by way of a rights issue:

(i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and

(ii) to holders of other shares or securities, as required by the rights of those securities or as the Board otherwise considers necessary,

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

such authorities to expire at the conclusion of the Company's 2013 Annual General Meeting or, if earlier, at the close of business on the date falling 15 months after the date of this Resolution, but, in each case, during this period the Company may make offers, and enter into agreements, which would, or might, require shares to be issued or rights to subscribe for or convert securities into shares to be granted after the authority given to the Board pursuant to this Resolution ends and the Board may issue shares or grant rights to subscribe for or convert securities into shares under any such offer or agreement as if the authority given to the Board pursuant to this Resolution had not ended.

SPECIAL RESOLUTIONS

- Resolution 23 THAT, if Resolution 22 is passed, the Board be and is hereby authorised to dis-apply the right of shareholders to receive a pre-emptive offer pursuant to Article 4.12 of the Articles of Incorporation of the Company, provided that this authority shall be limited to the issue of up to 68,809,449 ordinary shares in the Company (equal to 5 per cent. of the ordinary

shares in issue as at the date of publication of this notice) and shall expire (unless previously renewed, varied or revoked by the Company in a general meeting) at the end of the Annual General Meeting of the Company held in 2013, or, if earlier, at the close of business on the date falling 15 months after the date of this Resolution, but, in each case, during this period the Company may make offers, and enter into agreements, which would, or might, require ordinary shares to be issued (and/or treasury shares to be sold) after the authority given to the Board pursuant to this Resolution ends and the Board may issue ordinary shares (and/or sell treasury shares) under any such offer or agreement as if the authority given to the Board pursuant to this Resolution had not ended.

Resolution 24 THAT, conditional upon the ordinary shares of the Company remaining trading on the main market of the London Stock Exchange, the Company be and is hereby authorised in accordance with The Companies (Guernsey) Law, 2008, as amended (the “**Law**”) to make market acquisitions (as defined in the Law) of ordinary shares in the Company (for cancellation and/or holding in treasury) provided that:

- (a) the maximum number of ordinary shares in the Company authorised to be acquired is 137,618,898 (equal to 10 per cent. of the ordinary shares in issue as at the date of publication of this notice);
- (b) the minimum price (exclusive of expenses) which may be paid for an ordinary share in the Company is £0.01; and
- (c) the maximum price (exclusive of expenses) which may be paid for an ordinary share in the Company is the higher of:
 - (i) 105 per cent. of the average closing middle market quotation for an ordinary share in the Company (as derived from the London Stock Exchange Daily Official List) for the five business days prior to the day the purchase is contracted to be made; and
 - (ii) the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange at the time the purchase is carried out,

such authority to expire at the conclusion of the Company’s 2013 Annual General Meeting, or, if earlier, at the close of business on the date falling 15 months after the date of this Resolution, but, in each case, during this period the Company may make offers, and enter into agreements, which would, or might, require ordinary shares to be purchased after the authority given to the Board pursuant to this Resolution ends and the Company may purchase ordinary shares under any such offer or agreement as if the authority given to the Board pursuant to this Resolution had not ended.

By order of the Board

For and on behalf of

Northern Trust International Fund Administration Services (Guernsey) Limited

Company Secretary

16 April 2012

Notes:

1. Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote on their behalf at the AGM whether by show of hands or on a poll. A proxy need not be a shareholder of the Company. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. To appoint more than one proxy please follow the instructions set out in the Form of Proxy. If you do not have a Form of Proxy and believe that you should have one, or if you require additional forms, please contact 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, Bridgwater Road, Bristol BS99 6ZY, by no later than 11.00 a.m. on 15 May 2012, either in hard copy form, by post, by courier or by hand. If you would like to submit your Form of Proxy electronically, you may do so by going to the Investor Relations page at www.resolution.gg and clicking on the "AGM 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.

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(s), should refer to their CREST sponsor or voting service provider(s), 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 UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Computershare (ID number 3RA50) by 11.00 a.m. on 15 May 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 is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

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. Therefore, normal system timings and limitations will apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed (a) voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

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 AGM and voting in person if he/she wishes to do so.

10. The Company specifies that, pursuant to Article 18.6 of the Articles of Incorporation of the Company (the "**Articles**"), only those shareholders included in the register of members as at 6.00 p.m. on 15 May 2012 or, in the event that the AGM is adjourned, in the register of members 48 hours before the time of the adjourned AGM, shall be entitled to attend and vote at the meeting (or any adjourned meeting) in respect of the number of shares registered in their name at that time. Changes to the register of members after 6.00 p.m. on 15 May 2012 or, in the event that the AGM is adjourned, in the register of members 48 hours before the time of the adjourned AGM, shall be disregarded in determining the rights of any person to attend or vote at the AGM (or the adjourned AGM).

11. In accordance with Article 18.15 of the Articles, any corporation which is a shareholder may appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder, as if the corporation were an individual shareholder, provided that they do not do so in relation to the same shares and provided that on a poll vote if two or more corporate representatives of the same shareholder purport to exercise a power in respect of the same shares, then (i) if they exercise the power in the same manner, it shall be exercised in such manner, but (ii) if they exercise the power in a different manner, it shall be deemed not to have been exercised.

12. Indirect holders (who hold shares via a stockbroker or other nominee) have been sent this document for information only, but may have the right to be appointed a proxy by the registered shareholder to attend, speak and vote at the AGM, and may also be able to give voting instructions to the registered shareholder via a stockbroker or nominee administrator.

13. Resolution Limited Share Account holders should complete the Form of Instruction and return it to the proxy processing agent of Computershare at The Pavilions, Bridgwater Road, Bristol BS99 6ZY or give instructions online by going to the Investor Relations page at www.resolution.gg and clicking on the "AGM Information" link on the left-hand side of the screen by no later than 11.00 a.m. on 13 May 2012. Forms of Instruction can be requested from the shareholder helpline on +44 (0)870 707 1444 or through the proxy processing agent of Computershare, either by email to web.queries@computershare.co.uk, or in writing at The Pavilions, Bridgwater Road, Bristol BS99 6ZY.

14. Voting on each of the Resolutions will be conducted by way of a poll rather than on a show of hands. The Company believes that a poll is more representative of the shareholders' voting intentions because shareholder votes are counted according to the number of shares held and all votes tendered are taken into account. The results of the poll will be announced to the London Stock Exchange and will be made

available on the Company's website at www.resolution.gg as soon as practicable following the conclusion of the AGM.

15. Shareholders may at any time choose to receive all shareholder documents in electronic format via the internet, rather than through the post in paper format. Shareholders who decide to register for this option will receive an email notification each time a statutory document is published on the internet, on the Company's website. Shareholders who wish to receive documents in electronic format should contact the Company's Registrars, Computershare, at The Pavilions, Bridgwater Road, Bristol, BS99 6ZY or register your e-mail address online at www.resolution.gg by going to the Investor Relations page and clicking on the "Shareholder Information" link on the left-hand side of the screen.

16. If shareholders opt to receive email notifications, the Company's obligation to notify shareholders will be satisfied when it transmits the notification that documents are available on the website to the email address most recently provided, 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. Shareholders resident outside the European Economic Area are responsible for ensuring that they may validly receive shareholder documents electronically without the Company or the Company's registrars being required to comply with any governmental or regulatory procedures or any similar formalities.

17. Any electronic address provided either in this notice or any related documents (including Form of Proxy) may not be used to communicate with the Company for any purposes other than those expressly stated.

18. A copy of the terms and conditions of appointment of directors and the letters of appointment of non-executive directors of the Company and Friends Life Group plc will be available at The St. Pierre Park Hotel, St. Peter Port, Guernsey, Channel Islands and The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1P 3EE, United Kingdom from 15 minutes before the start of the AGM until its conclusion.

19. The total issued share capital of the Company as at 23 March 2012, the latest practicable date prior to publication of this notice is 1,376,188,989 ordinary shares, none of which are held in treasury. Therefore, the total number of voting rights in the Company as at the date of publication of this notice is 1,376,188,989.

20. A copy of this notice, the Company's Annual Report and other shareholder documents can be found on the Company's website at www.resolution.gg by going to the Investor Relations page and clicking on the "AGM Information" link on the left-hand side of the screen.

EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

At the AGM there are 24 Resolutions which shareholders will be asked to consider and, if thought fit, approve. An explanation of each of these Resolutions is given below. Resolutions 1 to 22 (inclusive) are proposed as ordinary resolutions. An ordinary resolution requires more than 50 per cent. of votes cast at the AGM relating to that resolution to be in favour of it for the resolution to be passed. Resolutions 23 and 24 are proposed as special resolutions. A special resolution requires at least 75 per cent. of votes cast at the AGM relating to that resolution to be in favour of it for the resolution to be passed.

ORDINARY RESOLUTIONS

Resolution 1: Directors' Report and Accounts

The directors are required to present the Directors' report, the audited accounts and the independent auditors' report in respect of the financial year ended 31 December 2011 to the AGM.

Resolution 2: Report on Directors' Remuneration

The Annual Report and Accounts for the financial year ended 31 December 2011 contains a Report on Directors' Remuneration, which sets out the remuneration policy for the Resolution Group and reports on the remuneration arrangements in place for its non-executive directors and senior management, including the board of Friends Life Group plc. Shareholders are invited to vote on the Directors' Remuneration Report, which may be found on pages 96 to 106 of the Annual Report and Accounts.

Resolutions 3 and 4: Appointment and remuneration of the auditors

Resolution 3 deals with the re-appointment of Ernst & Young LLP as the Company's auditors for the next year, and Resolution 4 seeks authority for the Board to determine their remuneration.

Resolutions 5 to 14 (inclusive): Re-election of directors

In accordance with the recommendations of the UK Corporate Governance Code, the directors will all retire and submit themselves for re-election by the shareholders at the AGM.

Biographical information relating to each of the directors proposed for re-election to the Board is set out in Appendix 1.

Resolutions 15 to 20 (inclusive): Election and re-election of directors of Friends Life Group plc

In the prospectus published on 8 September 2009 in connection with the acquisition of Friends Provident Group plc (now Friends Life Group plc ("**FLG**")), the Board set out its intention to comply with key corporate governance practices in relation to FLG. Accordingly, in accordance with Article 23(1) of the Articles of Association of FLG, directors of that company will retire by rotation every three years (and, in the case of Clive Cowdery and John Tiner, annually) and the Company's shareholders will be asked to vote to approve their re-election. In addition, any new appointments to the board of FLG will be put to the Company's shareholders for approval at subsequent AGMs. Shareholders will therefore be asked to approve the election of Andy Briggs (appointed on 1 June 2011), Peter Gibbs (appointed on 15 July 2011), Mary Phibbs (appointed on 27 July 2011) and Tim Tookey (appointed on 5 March 2012) as directors of FLG, and to approve the re-election of Clive Cowdery and John Tiner (both of whom were appointed on 26 August 2009 and re-elected at the 2011 AGM).

The biographical details of FLG directors are set out in Appendix 1.

Resolution 21: Dividend

The Company is seeking the approval of the final dividend of 13.42p per ordinary share. The amount of the final dividend is recommended by the Board. The final dividend of 13.42p per ordinary share will be paid on 21 May 2012 to those shareholders registered on the Company's register of members on 20 April 2012, subject to solvency testing in accordance with the Companies (Guernsey) Law, 2008 (the "Law"). A company satisfies the "solvency test" if: (i) it is able to pay its debts as they become due; and (ii) the value of its assets is greater than the value of its liabilities. In recommending the payment of the final dividend the directors have already considered the "solvency test". However, payment of the final dividend will remain conditional on the directors re-confirming that the solvency test will be satisfied immediately following such payment being made on 21 May 2012.

Resolution 22: Authority to issue shares

Paragraph (A) of this Resolution would give the directors the authority to issue shares or grant rights to subscribe for or convert any securities into shares up to an aggregate number of 458,729,663 ordinary shares in the Company. This amount represents one-third of the issued ordinary share capital of the Company as at the date of publication of this notice.

In line with guidance issued by the Association of British Insurers ("ABI"), paragraph (B) of this Resolution would give the directors authority to issue shares or grant rights to subscribe for or convert any securities into shares in connection with a rights issue in favour of ordinary shareholders up to an aggregate number of 917,459,326 ordinary shares. This amount (before any reduction) represents two-thirds of the issued ordinary share capital of the Company as at the date of publication of this notice.

In order to ensure that the maximum amount of shares issuable under Resolution 22 does not exceed an amount equal to two-thirds of the issued ordinary share capital, deductions will be made from (A) or (B) to ensure that this remains the case, whether or not the Company issues shares under (A) or (B) first.

Without prejudice to the Company's general consolidation and restructuring objective (which may involve future issues of shares), the directors have no specific present intention to exercise either of the authorities sought under this Resolution. However, if they do exercise the authorities, the directors intend to follow ABI recommendations concerning their use (including as regards the directors standing for re-election in certain cases).

The authorities sought under paragraphs (A) and (B) of this Resolution will expire at the conclusion of the Company's 2013 AGM, or, if earlier, 15 months after the date of this AGM.

SPECIAL RESOLUTIONS

Resolution 23: Disapplication of pre-emption rights

Article 4.12 of the Articles requires that where ordinary shares are issued wholly for cash or sold out of treasury for cash either shareholder approval must be sought to make a non-pre-emptive offer or a pre-emptive offer must be made to all existing shareholders (but allowing the directors to make such provision as they think fit in relation to fractional entitlements and/or certain overseas shareholders and/or other classes of shares). The Board believes that the ability to issue new ordinary shares on a non-pre-emptive

basis is in the best interests of the Company as this affords considerable flexibility and a significant reduction in time and costs in effecting fund-raising.

If approved, the disapplication authority will allow the Board to issue up to 68,809,449 ordinary shares, equal to 5 per cent. of the total number of ordinary shares in issue as at the date of publication of this notice. The directors confirm their intention to follow the provisions of the Pre-Emption Group's Statement of Principles regarding cumulative usage of disapplication of pre-emption rights authorities within a rolling three year period where the Principles provide that usage in excess of 7.5 per cent. should not take place without prior consultation with shareholders.

The authority sought under this Resolution will expire at the conclusion of the Company's 2013 AGM, or, if earlier, 15 months after the date of this AGM.

Resolution 24: Authority to purchase own shares

At the last AGM, the Company was granted authority to make market acquisitions of its ordinary shares to address, among other things, any imbalance in the supply of, and demand for, ordinary shares. The current authority expires at the end of this AGM.

This Resolution proposes to renew the authority of the Company to make market acquisitions of up to 10 per cent. of the ordinary shares in issue. The directors have no present intention of exercising the authority to make market purchases; however, the authority provides the flexibility to allow them to do so in the future. The directors will only exercise this authority when to do so would be in the best interests of the Company, and of its shareholders generally, and could be expected to result in an increase in the earnings per share of the Company.

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

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

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

Pursuant to the terms of the Lombard share-based incentive scheme (as described in note 9 to the Annual Report and Accounts for the Company's financial year ended 31 December 2011) (the "**Lombard Scheme**"), participants in the Lombard Scheme will become entitled to shares in the Company if certain performance conditions (as detailed in the terms of the Lombard Scheme) are met. The Lombard Scheme started on 1 January 2009 (the "**Commencement Date**") and lasts for six years, with 25 per cent. of the value in the Lombard Scheme accruing on each of the third, fourth, fifth and sixth anniversaries of the Commencement Date. The maximum potential payment to past and current participants under the Lombard Scheme documents is capped at an equivalent of €132.5 million in aggregate and, as at 31

December 2011, the fair value of the scheme was £22 million. Assuming all performance conditions are met and the maximum potential payment is due to participants in the Lombard Scheme, and assuming ordinary shares in the Company are valued at 279.5p (being the closing price of ordinary shares in the Company on 23 March 2012, being the last practicable date prior to the publication of this notice) and an exchange rate of €1 to £0.8362 (being the closing Euro Sterling exchange rate on 23 March 2012, being the last practicable date prior to the publication of this notice), the total number of ordinary shares to be issued by the Company pursuant to the terms of the Lombard Scheme would be 37,460,280.

As at the date of publication of this notice no ordinary shares are held by the Company in treasury and, other than under the Lombard Scheme as referred to above, no warrants or options to subscribe for ordinary shares in the Company are in issue.

The authority sought under this Resolution will expire at the conclusion of the Company 2013 AGM, or, if earlier, 15 months after the date of this AGM.

APPENDIX 1

Resolution Limited (Resolutions 5 to 14 (inclusive))

Jacques Aigrain – Non-executive director, member of Nomination Committee and Remuneration Committee

Jacques has spent most of his professional career in the insurance and banking sectors. He joined Swiss Re in mid-2001, where he served as Chief Executive Officer. In this role, Jacques oversaw the growth of Admin Re, Swiss Re's closed-life operation in the UK and the US. He was also a member of Swiss Re's Executive Committee between 2001 and 2009, and previously held the positions of Deputy CEO and Head of Financial Services. During this time, Jacques was Chairman of the Geneva Association and a number of international advisory associations. Prior to joining Swiss Re, Jacques was at JP Morgan for 20 years, holding several senior positions in the bank's investment banking division, including Co-Head of Investment Banking Client Coverage. He was ultimately appointed a member of JP Morgan's Global Investment Bank Management Committee. Jacques is currently serving on the supervisory boards of Deutsche Lufthansa AG, Swiss International Airlines and since May 2011, Lyondell Bassell Industries N.V. He is also Chairman of LCH Clearnet and Principal of J.A. Consulting SA.

Gerardo Arostegui – Non-executive director, member of Nomination Committee and Remuneration Committee

Gerardo has extensive experience across the European insurance and asset management sectors. From 1985 until 2008 he worked for Aviva Spain, serving as its Chief Executive Officer throughout this period. During his 23-year career with Aviva, Gerardo led the creation, through acquisitions and organic growth, of one of the leading bancassurance businesses in Spain. Gerardo was also a member of the main Spanish insurance associations, including Unespa and Consorcio de Compensacion de Seguros. Between 1995 and 2001, Gerardo was President of Pool Espanol de Grandes Riesgos. Before joining Aviva Spain, he was Deputy General Manager at Tubacex SA, the Spanish stainless steel tubing company. Gerardo is an independent director of Tubacex SA and Chairman of Qualitasa SLU and Tinsa Tasaciones Inmobiliarias.

Michael Biggs – Chairman, Chairman of Nomination Committee and member of Remuneration Committee

Prior to Mike's appointment as Chairman in October 2008, he was Chief Financial Officer of Resolution Life Group Limited and became Group Finance Director of Resolution plc upon the merger with Britannic Group plc in 2005. In March 2007, he was promoted to the position of Group Chief Executive of Resolution plc, a position which he held until that company's acquisition in May 2008 by Pearl Group Limited. He began his career at Williams & Glyn's Bank before joining Arthur Andersen where he became a manager within the Financial Services part of the practice. In 1984, he took up a role as Manager of Finance at Hong Kong & Shanghai Banking Corporation in the UK. After three years, he left to become Group Financial Controller of Morgan Grenfell, leaving the bank in 1991 to join Norwich Union as Group Financial Controller. In 1995, he became General Manager of Norwich Union's international operations and was a member of the team that demutualised and floated Norwich Union in 1997. He was appointed Group Finance Director of Norwich Union in that year and, following the merger with CGU plc in 2000 that created CGNU plc, he was appointed Group Executive Director responsible for CGNU plc's UK general insurance business. Mike was promoted to Group Finance Director in 2001, a position he held until he chose to leave Aviva, the renamed CGNU plc business, at the end of 2003. Mike has been invited to become Chairman of Direct Line Insurance Group plc, subject to and following formal clearance by the FSA.

Mel Carvill – Non-executive director, member of Nomination Committee and Audit & Risk Committee

Mel has worked across a range of sectors in the European financial services industry, in a variety of different capacities. From 1985 until 2009 Mel worked at Generali where he held a number of senior positions in the group, including Head of Western Europe, Americas and Middle East, Head of M&A and Head of International Regulatory Affairs (2007–2009), Head of Corporate Development, Risk Management and Investor Relations (2005–2007), and Head of Corporate Finance (2000–2005). Mel was previously a Commissioner of the Guernsey Financial Services Commission, a position he held for nine years. Mel is a Fellow of the Institute of Chartered Accountants in England and Wales, holds the Advanced Diploma in Corporate Finance, is an Associate of the Chartered Insurance Institute, is a Chartered Insurer and is a Fellow of the Securities Institute. Mel is the founder and President of PPF Partners (a private equity firm), a joint venture between Generali and PPF Group. In addition, Mel holds a number of directorships within financial services companies operating in Europe, the Americas and Asia.

Fergus Dunlop – Non-executive director, member of Audit & Risk Committee

Fergus has experience of institutional asset management for insurance companies in the UK, Germany and the Channel Islands. Between 2002 and 2007 he joint-owned and managed an advisory business in Munich for institutional investors. From 1997 to 2001 Fergus worked in institutional sales in Mercury Asset Management (later Merrill Lynch, now BlackRock). From 1987 to 1997 he worked for SG Warburg/Mercury Asset Management in London, where he managed a joint venture with Munich Re. Fergus is a non-executive director of Princess Private Equity Holding Limited, Schroder Oriental Income Fund Limited, and Aqua Resources Fund Limited, all traded on the London Stock Exchange.

Phil Hodgkinson – Senior Independent Director, member of Nomination Committee and Audit & Risk Committee

Prior to his retirement in 2007, Phil held a number of senior executive positions in the UK financial services industry including Chief Executive Officer of Zurich Financial Services UK Life (1996-2001), Chairman of Clerical Medical and Insight Investment (2001-2005) and Group Finance Director of HBOS plc (2005-2007). Phil was also Chairman of the ABI's Raising Standards Accreditation Scheme (2001-2006) and is a Fellow of the Institute of Actuaries in England and Wales. Phil is non-executive director of BT Group plc and Travelex Holdings Ltd, and a board member of HM Revenue & Customs. He is also a trustee of BBC Children in Need, Action Medical Research and Business in the Community, and is Chairman of the Community Mark Independent Approvals Panel, and BT Group's Equality of Access Board.

Denise Mileham – Non-executive director, member of Nomination Committee and Audit & Risk Committee

Denise was previously an executive director of Kleinwort Benson (Channel Islands) Fund Services and Close Fund Services. At Kleinwort Benson, Denise acted as Deputy Head of Fund Services and as Head of Fund Administration. At Close Fund Services, she was a Director of New Business, running a team responsible for all aspects of new business, including marketing, sales and implementation of that new business. She joined Rea Brothers in 1997 which was subsequently purchased by Close Brothers Group in 1999, where she worked for nine years before moving to Kleinwort Benson. In her earlier career Denise worked in the funds department of Barclay Trust before moving to Credit Suisse, where she undertook a number of roles, including Compliance Officer in the fund administration department. She has been a Fellow of the Securities and Investment Institute since 2006. She is a member of the Institute of Directors and the Guernsey Investment Fund Association, and is a member of its Technical Committee. She is a champion of the Women's Development Forum, a not-for-profit organisation dedicated to aiding the female

workforce in Guernsey to unlock its potential. Denise is currently a director of FPP Japan Fund Inc. and FPP (General Partner) Inc.

Peter Niven – Non-executive director, member of Nomination Committee and Remuneration Committee

From 1993 until 2004, Peter was a senior executive with the Lloyds TSB Group, holding a number of senior positions including Chief Executive of the Group's Offshore Financial Services Group, director of the Offshore Pension Fund, director of the Group's French banking subsidiary and director of numerous offshore trading companies. Peter is qualified as a Chartered Director and is a Fellow of the Chartered Institute of Bankers, a member of the Institute of Directors, the Guernsey International Insurance Company Managers Association and the Guernsey Investment Fund Association. Peter is currently the Chief Executive Officer of Guernsey Finance LBG. In addition, Peter holds a number of non-executive directorships, including five companies listed on the London and Channel Islands Stock Exchanges.

Gerhard Roggemann – Non-executive director, Chairman of Remuneration Committee

Gerhard is a non-executive director of Friends Life Group plc and was previously a non-executive director of Friends Life FPG Limited (now Friends Provident Group plc). Gerhard has spent much of his professional career with financial services firm JP Morgan, where his positions included Managing Director of JP Morgan's German branch in Frankfurt and Regional Treasurer Asia Pacific located in Tokyo. He spent a total of 13 years on the management board of two German Landesbanks, joining the executive boards of Norddeutsche Landesbank in 1991, and of Westdeutsche Landesbank (WestLB AG) in 1996. Gerhard's previous board appointments include AXA Lebensversicherungs AG, AXA Kapitalanlagegesellschaft mbH, Deka Bank, Fresenius AG, Hapag Lloyd AG and VHV Holding AG. Gerhard is currently the Vice Chairman of Hawkpoint Partners Europe. He is also Chairman of the Supervisory Board of GP Günter Papenburg AG, Deputy Chairman of the Supervisory Board of Deutsche Börse AG, a member of the Supervisory Board of Deutsche Beteiligungs AG and of Fresenius SE & Co KGaA.

Tim Wade – Non-executive director, Chairman of Audit & Risk Committee

Tim was formerly a Managing Director of AMP Limited. Between 1997 and 2000, Tim was Chief Financial Officer of Colonial Limited, where he was closely involved in the rationalisation of the life insurance industry in Australia, having previously held the role of Chief Taxation Counsel (1994-1997). From 1984 until 1994, Tim worked at Arthur Andersen in Melbourne and Singapore where he became a Partner in 1992. Tim is qualified as a lawyer and an accountant, and has a long career in financial services around the world. Tim is currently Chief Executive Officer of Finance Pronto Limited, non-executive director and Chairman of the Audit Committee of Macquarie Bank International Limited and Monitise Plc, non-executive director and Chairman of the Credit and Remuneration Committees of Access Bank UK Limited and a Governor of The Coeliac Society.

Friends Life Group plc (Resolutions 15 to 20 (inclusive))

Andy Briggs – Chief Executive Officer

Andy was appointed a director and Chief Executive Officer of Friends Life Group plc on 1 June 2011. Andy was previously Chief Executive Officer of Lloyds Banking Group's General Insurance business since February 2010 and Chief Executive Officer of Scottish Widows since December 2008. Prior to joining Scottish Widows in 2007 he held key positions at Prudential Group where he spent a number of years in intermediated, face-to-face and online businesses in the UK and overseas, culminating in the role as Chief

Executive Officer of Prudential's Retirement Income business. Andy is an actuary and sits on the board of the Association of British Insurers.

Peter Gibbs – Independent non-executive director

Peter Gibbs was appointed a non-executive director of Friends Life Group plc on 15 July 2011 and is a member of the Investment Oversight Committee. Currently, he is a non-executive director of Impax Asset Management Group plc, UK Financial Investments Limited (UKFI), Intermediate Capital Group plc and a director of Merrill Lynch (UK) Pension Plan Trustees Limited. Peter has a wealth of financial services experience in the asset management sector. He began his career at Brown Shipley and joined Bankers Trust in 1985, moving to Mercury Asset Management in 1989. Following their takeover by Merrill Lynch, he became Chief Investment Officer and Head of Region for their non-US Investment Management activities until November 2005. Peter was Senior Independent Director of The Evolution Group plc, and a member of its Audit, Remuneration and Nomination Committees until its successful takeover by Investec plc in December 2011. Peter also held the position of non-executive Chairman of Turquoise, the pan-European trading platform, until its takeover by the London Stock Exchange in February 2009.

Mary Phibbs – Independent non-executive director

Mary Phibbs was appointed an independent non-executive director of Friends Life Group plc on 27 July 2011. Mary is a member of the Board Risk and Compliance Committee. Mary was recently Interim Chief Risk Officer at Allied Irish Banks plc. She is a chartered accountant with over 30 years of experience in financial services across the UK, Australia and Asia Pacific. She joined Standard Chartered Bank plc in 2008 after holding a number of senior positions at companies including ANZ, National Australia Bank and Commonwealth Bank of Australia. Mary was also a non-executive director, trustee and Chairman of the Nomination and Remuneration Committees at The Charity Bank Limited and a non-executive director and member of the Audit and Risk Committees at Northern Rock plc, from January 2010 to December 2011 during its period of temporary public ownership.

Tim Tookey – Chief Financial Officer

Tim Tookey was appointed a director of Friends Life Group plc on 5 March 2012 and became Chief Financial Officer on 30 March 2012. Previously, Tim was with Lloyds Banking Group, where he started as Deputy Group Finance Director in 2006 before being appointed Group Finance Director in 2008. Tim is also a member of the Development Strategy Board of the Zoological Society of London. Tim's previous roles include Chief Financial Officer at Prudential UK, which he joined in 2002 and Chief Financial Officer at Heath Lambert from 1999 and Heath Group from 1996. Tim joined KPMG in 1985 where he qualified as an accountant. Tim was also Chairman of the Audit and Remuneration Committees at the British Bankers' Association until 3 April 2012.

Clive Cowdery – non-executive director

Clive Cowdery was appointed as a non-executive director of Friends Life Group plc on 26 August 2009. Clive was appointed as a non-executive director of Friends Life FPG Limited (formerly Friends Provident Group plc) on 5 November 2009, a position from which he resigned on 25 March 2011. Clive was also appointed Chairman of Resolution plc from September 2005 following the merger of Britannic Group plc and Resolution Life Group Limited and held that role until the completion of the sale of Resolution plc to Pearl Group Limited in May 2008. He was previously Chief Executive of Resolution Life Group Limited, a company he founded in 2003. Prior to that, in 1998, Clive was appointed Chairman and Chief Executive of GE Insurance Holdings, GE's primary insurance operations in Europe with over US\$3 billion of premium

income at that time. The businesses he led while with GE included life and pensions companies in the UK and France, and Europe's largest credit insurer with operations in 12 countries. Before joining GE, in 1992, he co-founded Scottish Amicable International/Rothschild International, a European cross-border insurance business based in Dublin. He started his career in insurance advising clients as a broker. Further, Clive is Chairman of the charity he founded, the Resolution Foundation, and a director of Prospect Publishing Limited and Capital Investments (SICAV) plc.

John Tiner – Non-executive director

John Tiner was appointed as a non-executive director of Friends Life Group plc on 26 August 2009. John was appointed as a non-executive director of Friends Life FPG Limited (formerly Friends Provident Group plc) on 5 November 2009, a position from which he resigned on 25 March 2011. John was previously Chief Executive Officer of the FSA, a position he held between September 2003 and July 2007 when he retired from the role. He had initially joined the FSA in June 2001 as Managing Director of Consumer, Insurance and Investment Business. At the FSA, he led the review which substantially overhauled regulation of the UK insurance industry and promoted financial capability to become a public policy priority. He was also a member of the Committee of European Insurance and Occupational Pensions Regulators which steered the development of Solvency II. Before joining the FSA, John was a Managing Partner at Arthur Andersen, responsible for its worldwide financial services practice. He joined Arthur Andersen in 1976, working mainly with banking and capital markets clients. He led the Arthur Andersen team appointed by the Bank of England to investigate the collapse of Barings Bank and draw out the lessons to be learned. John is also a non-executive director of Credit Suisse AG, Lucida plc and the Financial Services Skills Council.