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If you have sold or otherwise transferred all of your Ordinary Shares, please send this Circular (but not the personalised Form of Proxy or Form of Instruction), 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 delivery to the purchaser or transferee. If you have sold part of your holding of Ordinary Shares, please retain this Circular and the accompanying documents and contact immediately the bank, stockbroker or other agent through whom the sale or transfer was effected.

Resolution

Resolution Limited

(incorporated in Guernsey under number 49558)

PROPOSED AMENDMENTS TO ARTICLES OF INCORPORATION CIRCULAR TO SHAREHOLDERS 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 Special Resolution to be proposed at the General Meeting referred to below.

Notice of the General Meeting of the Company to be held at 3.00pm on 20 March 2013 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, the Form of Proxy should be completed and returned in accordance with the instructions printed thereon to Computershare Investor Services PLC at the address detailed on the Form of Proxy as soon as possible but in any event so as to arrive not later than 3.00pm on 18 March 2013. 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 Investor Services PLC, at the address detailed on the Form of Instruction, as soon as possible and in any event no later than 3.00pm on 16 March 2013. 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.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2013
Latest time and date for receipt of Forms of Instruction for the General Meeting	3.00pm on 16 March
Latest time and date for receipt of Forms of Proxy for the General Meeting	3.00pm on 18 March
General Meeting	3.00pm on 20 March

PART I
LETTER FROM THE CHAIRMAN

Resolution

Resolution Limited

(incorporated in Guernsey under number 49558)

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

22 February 2013

Directors:

Mike Biggs (Chairman)

Jacques Aigrain

Gerardo Arostegui

Mel Carvill

Fergus Dunlop

Phil Hodgkinson

Denise Mileham

Peter Niven

Gerhard Roggemann

Tim Wade

Proposed Amendments to the Articles

Notice of General Meeting

Dear Shareholder

Introduction

On 15 August 2012 the Company outlined proposals to simplify the Group's governance structure by moving from an externally advised, project based structure to a more conventional structure.

These proposals included making changes to the Company's Board composition which require changes to the Company's Articles, in particular, to enable the Company to appoint UK resident executive Directors and more UK resident non-executive Directors to the Board.

The Company proposes to adopt new Articles which incorporate amendments to facilitate the Company's adoption of a Board structure which includes UK resident executive Directors, removes residency restrictions on non-executive Directors and the company secretary and enables Board meetings to take place in the UK. The Company also proposes to take the opportunity to make certain other amendments to the Articles to better align the Company with the practices adopted by a majority of companies with a premium listing and traded on the Main Market of the London Stock Exchange.

The principal changes to the Articles proposed to be adopted at the General Meeting of the Company relate to Board composition, location of Board meetings, the timing of notice of Company meetings and the ability of the Company to issue shares in satisfaction of employee share schemes without the need for shareholder approval. In addition, it is proposed that certain restrictions on the class of investors who may become shareholders in the Company be removed.

The purpose of this document is to provide you with details of the Proposed Amendments.

Background to and reasons for the Proposed Amendments

When the Company was founded in 2008, it was incorporated in Guernsey with a wholly non-executive Board of Directors and was party to an operating agreement with Resolution Operations LLP ("**ROL**") pursuant to which ROL provided the Company with mergers and acquisitions, strategic and oversight services.

On 15 August 2012 the Company announced a proposal to adopt a more conventional governance structure by unifying membership of the boards of the Company and the main UK holding company for its regulated life insurance group, Friends Life Group plc ("**FLG**"), transferring many of the skills from ROL to the Company and ceasing to receive services from ROL under the operating agreement.

The Company believes that adopting a more conventional, simplified structure is appropriate for a company no longer seeking acquisitions or a specific exit event. It will also ensure that there is no risk to the Company's premium listing from the amendments made to the Listing Rules regarding "externally managed companies" which, for existing externally advised companies such as the Company, come into effect from 1 January 2014.

Details of the proposed composition of the board of directors of both the Company and FLG were announced on 19 October 2012. On 10 December 2012 the Company confirmed that, subject to implementation of the Proposed Amendments, the proposed changes to its Board membership would be made by the end of March 2013, immediately after the transfer of the business activities that ROL currently provides to the Company.

Following the implementation of the Proposed Amendments it is expected that the board of directors of the Company and FLG will comprise:

Mike Biggs, Non-Executive Chairman
Sir Malcolm Williamson, Non-Executive Deputy Chairman
Andy Briggs, Group Chief Executive Officer
Tim Tookey, Group Chief Financial Officer
David Allvey, Independent Non-Executive
Mel Carvill, Independent Non-Executive
Clive Cowdery, Non-Executive
Peter Gibbs, Independent Non-Executive
Phil Hodkinson, Independent Non-Executive
Nick Lyons, Independent Non-Executive
Robin Phipps, Independent Non-Executive
Belinda Richards, Independent Non-Executive
Karl Sternberg, Independent Non-Executive
John Tiner, Non-Executive
Tim Wade, Independent Non-Executive

The Company expects to appoint an additional independent non-executive Director, not drawn from either of the existing boards, in due course and a search process is under way.

On 19 October 2012 the Company also announced that I had informed the Company that, whilst I remain committed to chairing the new Board to oversee this period of change, I had decided that it would be appropriate to hand over to a new chairman once the transition has been completed. The Company commenced an appointment process for the new chairman and the additional independent non-executive Director, led by Phil Hodkinson, Senior Independent Director. On 21 January 2013, the Company announced that Sir Malcolm Williamson would be appointed as chairman when I step down as chairman later this year (subject to Shareholders' approval of the Proposed Amendments and approval from the FSA). I intend to step down, and Sir Malcolm's appointment is expected to become effective, immediately after the close of the annual general meeting of the Company on 16 May 2013.

Certain of the proposed changes to the Board, including in particular the appointment of UK resident executive Directors and more UK resident non-executive Directors would not be permitted under the current Articles, which contain safeguards designed to preserve the Company's Guernsey tax residency.

The Directors have considered carefully the consequences of the removal of these restrictions and the proposed changes to the Group's management and governance structure.

The new governance model is expected to result in the Company becoming UK tax resident in due course. According to the Company's analysis, being tax resident in Guernsey or the UK is not expected to materially affect the amount of tax being paid in the UK by the Group in future periods.

In addition, the Company's head office, for regulatory financial resources rules purposes, will move to the UK and the Company will be deemed to be the ultimate EEA parent undertaking of the Group. As a result, the assets and liabilities of Resolution Limited and the other Guernsey companies in the Group (including any debt issued or incurred by them) will in the future be taken into account in assessing whether the Group meets the IGCA requirements of the Insurance Groups Directive. Previously the Company's subsidiary undertaking, FLG, was treated as the ultimate EEA parent undertaking of the Group and debt issued or incurred by undertakings incorporated and resident in Guernsey was excluded from the formal assessment of the IGCA requirements, albeit the overall debt structure of the Group was assessed by the UK Financial Services Authority as part of its approval process for acquisitions. Currently the Company and the Guernsey entities have positive net assets, primarily cash, and neither the Company nor the other Guernsey entities have any debt in issue. All of the debt in the Group is currently issued or incurred by FLG or its subsidiary undertakings. As a result, the Directors expect that the Group's current surplus over IGCA requirements would be marginally higher if the assets and liabilities of the Company and the other Guernsey entities were included in the formal assessment of the IGCA requirements.

As noted in the introduction, the Company also proposes to take this opportunity to make certain amendments to the Articles to better align the Company with the practices adopted by a majority of companies with a premium listing and traded on the Main Market of the London Stock Exchange. These amendments are described in more detail in Part II of this Circular.

In addition, the Company proposes that provisions in the Articles which restrict certain classes of investor from becoming shareholders in the Company without the consent of the Board and allow the Company to force the sale of shares held by certain prohibited shareholders will be excluded from the new Articles. Since the Company listed on the Main Market of the London Stock Exchange it has been necessary for the Company to include these provisions in its Articles in order to ensure that it was not required to comply with certain regulations applicable if the Company had shareholders treated as plan investors under the U.S. Employee Retirement Income Security Act of 1974 as amended ("**ERISA**") or to "investment companies" under US laws and regulations, which may have resulted in significant on-going regulatory obligations and cost. As a result of the Company adopting a more conventional and simplified governance structure and in light of the Company's current strategy, the Board has determined that these provisions are no longer necessary, and proposes that they be deleted.

Taxation

Shareholders' attention is drawn to the summary guide regarding the tax impact of the proposed change in the Company's tax residency for certain Shareholders in Part III of this Circular on page 12. The summary does not purport to be legal advice or opinion and Shareholders are advised to consult their own tax advisers.

General Meeting

The resolution to approve the Proposed Amendments will be proposed as a special resolution, at the General Meeting to be held at 3.00pm on 20 March 2013.

The resolution seeks Shareholder approval for the adoption of the new Articles. A copy of the Articles showing in full the Proposed Amendments will be available for inspection at the Company's registered offices and on the Company's website <http://www.resolution.gg> from the date of distribution of this Circular until the close of the General Meeting. A copy will also be available for inspection at the place of the General Meeting for at least 15 minutes before and during the meeting.

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

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 the proxy processing agent of the Company's registrars, Computershare Investor Services PLC ("**Computershare**") at The Pavilions, Bridgwater Road, Bristol BS99 6ZY in the prepaid 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 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 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 3.00pm on 16 March 2013 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.

Further information

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

Recommendation

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

resolution to be proposed at the General Meeting, as each member of the Board who is a Shareholder intends to do in respect of his or her own beneficial holdings.

Yours faithfully,

Michael Biggs
Chairman

PART II
EXPLANATORY NOTES OF THE CHANGES TO THE COMPANY'S ARTICLES OF INCORPORATION

1. Shares (Article 4)

The general authority of the Directors to issue shares in the Company is provided under Article 4.1, subject to the restriction in Article 4.3 which requires that such authority to issue shares must be granted by Ordinary Resolution of the Shareholders.

This restriction on the general power to allot and issue shares was originally intended to align the Company more closely to the governance requirements of a listed company incorporated in the UK. However, the effect of Article 4.3 is such that the Company is unable to benefit from section 291(2) of the Companies Law which provides that the requirement to obtain Shareholder approval will not apply to *"(a) the issue of shares in pursuance of an employees' share scheme; or (b) the grant of a right to subscribe for, or to convert any security into, shares so issued"*.

In the absence of an express carve-out to Article 4.3, the Company is unable to permit the grant of employee share options or permit the issue of shares in pursuance of an employees' share scheme without Shareholder approval. The Company is proposing a new Article 4.3A which will provide that any shares granted or issued in accordance with any employees' share scheme of the Company or of a company which is or becomes a Group company be exempt from the requirement to obtain Shareholder approval in accordance with Article 4.3, which will align the Company with the position of English companies under the Companies Act 2006.

The Company will comply with its obligations under the Listing Rules prior to introducing any new employee share scheme.

2. ERISA and other U.S. Limitations (Article 9 and 13)

The current provisions of Article 9 require any entity which is classified as a Plan Investor (as defined in the Articles) to obtain the Board's prior written consent before it may acquire shares in the Company. At the time the Company listed on the Main Market of the London Stock Exchange the Company was advised that because the Company would not qualify as an "operating company" under the U.S. Employee Retirement Income Security Act of 1974 ("**ERISA**") it needed to restrict "benefit plan investors" and any plans subject to laws similar to ERISA and the U.S. Internal Revenue Code of 1986 as amended ("**Similar Laws**") from purchasing shares in the Company so that ERISA's strict fiduciary and prohibited transaction rules would not apply to the Company. The provisions of Article 13 provided the Board with the power to require an entity which was a prohibited "benefit plan investor" to dispose of their shares in the Company or to require that the shares held by the prohibited "benefit plan investor" or plan subject to Similar Laws to be held by a trust for charitable purposes. The provisions of Article 13 also permitted the Board to require a "Non-Qualified Holder" (as defined in the Articles), which included, in addition to a "benefit plan investor" and any plan subject to Similar Laws, any person holding shares in the Company which might cause the Company to be required to be registered as an "investment company" under the U.S. Investment Company Act of 1940, as amended, to dispose of its shares voluntarily or, under certain circumstances, for the Board to arrange for such sale.

In light of the Company's current strategy and the proposed change in the Company's governance structure, the Board believes that the restrictions contained in Article 9 and in certain provisions of Article 13 are no longer necessary and proposes to delete these Articles, together with corresponding definitions that are not used elsewhere in the Articles. As a result "benefit plan investors" and plans subject to Similar Laws will no longer be restricted from owning shares in the Company and the restrictions relating more generally to Non-Qualified Holders will also terminate.

3. Notice of General Meetings (Article 16)

The current notice provisions in Article 16.1 prescribe that 21 clear days' notice must be given prior to the Company's Annual General Meeting and 14 clear days' notice for all other general meetings of the Company. The provision of this Article was originally intended to align the Company with the requirements for UK listed companies. However, when considered in conjunction with the requirements of section 523(8) of the Companies Law (which states that documents served under the Companies Law sent by post shall be deemed received three working days after posting where sent to the UK, Channel Islands or Isle of Man and seven working days elsewhere), the practical effect of this Article is such that the Company's required notice provision to convene a general meeting are currently greater than for an equivalent UK listed company.

The Company is proposing to change the notice provision to reflect the minimum statutory requirement under the Companies Law of 10 days' notice. This amendment would not only provide the Company with greater flexibility in convening general meetings but, when also taking into consideration the deemed receipt provisions under the Companies Law, still provides for a longer overall period of notice than under English law. In practice, the period of notice given for Annual General Meetings will continue to be at least as long as required by UK corporate governance best practice and shareholders will continue to receive notice within appropriate timescales.

4. Number and Appointment of the Board (Article 19)

The Company's existing Articles provide that at no time may a majority of Directors be resident in the UK for UK tax purposes and that each Director shall inform the Board and the Company of any potential or intended change to his residential status for tax purposes. A Director may be removed from the Board where he becomes resident in the UK for UK tax purposes and, as a result of him remaining as a Director, a majority of Directors would be resident in the UK for tax purposes.

The Proposed Amendments remove this restriction on the tax residency of the Directors.

5. Alternate Directors (Article 22)

The existing Articles require alternate Directors, for the duration of their appointment, to either (i) be resident for tax purposes in the same jurisdiction as his appointor or (ii) not be resident in the UK for UK tax purposes. The existing Articles also require that an alternate Director vacates office where such alternate Director, having not been UK resident for UK tax purposes at the time of his appointment, becomes resident in the UK for UK tax purposes.

The Proposed Amendments delete this provision on tax residency of the alternate Directors.

6. Disqualification and Removal of Directors (Article 27)

The Company's existing Article 27.1.9 provides that a Director's office shall be vacated if he becomes resident in the UK for UK tax purposes and as a result of him remaining a Director, a majority of Directors would be resident in the UK for UK tax purposes.

The Proposed Amendments delete this provision on the removal of Directors from office.

7. Proceedings of Directors (Article 28)

Article 28 of the existing Articles requires that all Board meetings are held outside of the United Kingdom. Any resolution of the Board which is passed at a meeting held within the UK, or a meeting where the majority of the Directors are resident in the UK for UK tax purposes, will be invalid and of no effect. A video link or telephone conference where the quorum of Directors is present will be valid provided that any Director who is physically present in the UK at the time of any such meeting shall not count in the quorum or be entitled to vote in the meeting. Similarly, a resolution in writing signed by all or a majority of Directors entitled to vote at that time will be valid and effectual provided that such resolution is signed outside the UK and includes a statement by each Director confirming that the resolution was signed outside the UK.

Article 28.8 provides that the Board may delegate its powers to committees consisting of two or more Directors that are not resident in the UK for tax purposes and shall meet only outside the UK.

The Proposed Amendments remove these restrictions on the location of meetings of both the Board and any committees.

8. Executive Director (Article 29)

Article 29 provides the Board with the power to appoint one or more of their body to be the holder of any executive office, including the office of managing director. However, they may not appoint any Director who is resident in the UK for UK tax purposes and where a Director with a current appointment to executive office becomes a resident in the UK for UK tax purposes, such appointment shall terminate automatically.

The Proposed Amendments remove this restriction on executive Directors being resident in the UK for UK tax purposes.

9. Secretary (Article 30)

Currently, the Company Secretary may at no time be a resident of the UK for UK tax purposes.

The Proposed Amendments include the removal of this restriction on the tax residency of the Company Secretary.

10. The Seal (Article 32)

The Articles currently prohibit the Company from permitting the seal to be kept in the UK at any time.

The Proposed Amendments include the removal of this provision in line with its transition to UK tax residency.

PART III TAXATION

The following section is a summary guide only to certain aspects of tax in the UK and Guernsey. This is not a complete analysis of all the potential tax effects of acquiring, holding and disposing of Ordinary Shares, nor will it relate to the specific tax position of all Shareholders. This summary does not purport to be legal advice or opinion. Shareholders, in particular those who are not resident in the UK or Guernsey for tax purposes, are advised to consult their own tax advisers.

As explained in Part I, the Directors intend to conduct the affairs of the Company so that it will be resident in the UK for tax purposes in due course. The Company also intends to apply to the Guernsey Director of Income Tax for the Company to be tax-exempt in Guernsey and cease to be resident in Guernsey for Guernsey tax purposes. Shareholders should note that the exact timing for becoming resident in the UK for UK tax purposes and tax-exempt in Guernsey will depend on a number of factors relating to the operation of the Group. It is not therefore possible to provide a specific date at which the Company's tax residency will move to the UK. If the Company were to be resident in the UK for UK tax purposes but not obtain tax-exempt status in Guernsey, then it would be resident for tax purposes in both Guernsey and the UK, under the laws and practice of the respective jurisdictions.

The Company expects to notify Shareholders prior to payment of its next proposed dividend whether the Company is Guernsey or UK tax resident (or both) at the relevant time to enable Shareholders to determine their individual tax position.

Except where expressly stated to the contrary, the remainder of this Taxation section is written on the basis of the position that is expected to apply when the Company becomes solely UK tax resident (assuming it does so), and assumes the Company remains solely UK tax resident.

Any person who is in any doubt as to his or her tax position, in particular those who are not resident or otherwise subject to taxation in the UK or Guernsey, should consult his or her tax advisers immediately.

1. UK taxation

The following summary is intended as a general guide only and relates only to certain limited aspects of UK tax consequences of holding and disposing of Ordinary Shares. It is based on current UK tax law and the current practice of HMRC, both of which are subject to change, possibly with retrospective effect. The summary applies only to Shareholders who are resident and, if individuals, ordinarily resident and domiciled in the UK for taxation purposes, who hold their Ordinary Shares as an investment (other than under a personal equity plan or an individual savings account), who are the absolute beneficial owners of their Ordinary Shares, who have not (and are not deemed to have) acquired their Ordinary Shares by virtue of an office or employment (whether current, historic or prospective) and are not officers or employees of any member of the Group.

In addition, these comments may not apply to certain classes of Shareholders such as traders, brokers, dealers, banks, financial institutions, collective investment schemes, insurance companies, investment companies, tax-exempt organisations, persons connected with the Company or the Group, individuals holding 10 per cent. or more of the issued share capital of the Company and persons who hold Ordinary Shares as part of hedging or conversion transactions.

Were the Company to be resident for tax purposes both in the UK for UK tax purposes and in Guernsey for Guernsey tax purposes, the UK tax consequences set out below for UK resident Shareholders, to whom this summary is addressed, would be the same as if the Company were solely UK tax resident.

1.1 UK taxation of dividends paid on Ordinary Shares

The Company will not be required to withhold or account for UK tax at source when paying a dividend on the Ordinary Shares.

A Shareholder who is an individual and who receives a dividend from the Company will be entitled to a tax credit which may be set off against that Shareholder's total income tax liability on the dividend. The tax credit will be equal to 10 per cent. of the aggregate of the dividend and the tax credit (the "**gross dividend**"), which is also equal to one-ninth of the cash dividend. An individual Shareholder who is liable to income tax at the basic rate will be subject to tax on the dividend at the rate of 10 per cent. of the gross dividend, so that the tax credit will satisfy in full such Shareholder's liability to income tax on the dividend. The UK income tax treatment of dividends received by an individual Shareholder should therefore be unchanged from the treatment that would apply whilst the Company is resident in Guernsey for Guernsey tax purposes and not resident in the UK for UK tax purposes (assuming the Shareholder has a holding of less than 10 per cent. of the issued share capital of the Company).

In the case of an individual Shareholder who is liable to income tax at the higher rate, the tax credit will be set against but not fully match the shareholder's tax liability on the gross dividend and the Shareholder will have to account for additional income tax equal to 22.5 per cent. of the gross dividend (which is also equal to 25 per cent. of the cash dividend received) to the extent that the gross dividend when treated as the top slice of such Shareholder's income falls above the threshold for higher rate income tax.

In the case of an individual Shareholder who is subject to income tax at the additional rate, the tax credit will also be set against, but not fully match, that Shareholder's liability on the gross dividend and, currently, the Shareholder will have to account for additional income tax equal to 32.5 per cent. of the gross dividend (which is also equal to approximately 36 per cent. of the cash dividend received) to the extent that the gross dividend when treated as the top slice of the Shareholder's income falls above the threshold for additional rate income tax. The Finance Act 2012 provides for a reduction in the additional rate of income tax (and the dividend additional rate) such that, with effect from 6 April 2013, a Shareholder subject to income tax at the additional rate will have to account for additional income tax equal to 27.5 per cent. of the gross dividend (which is equal to approximately 30.6 per cent. of the cash dividend received) to the extent that the gross dividend when treated as the top slice of the shareholder's income falls above the threshold for additional rate income tax.

Shareholders who are within the charge to corporation tax in respect of Ordinary Shares will be subject to corporation tax on the gross amount of any dividends paid by the Company, unless (subject to special rules for such Shareholders that are small companies) the dividends fall within an exempt class and certain other conditions are met. It is

expected that the dividends paid by the Company would generally be exempt for such Shareholders.

1.2 UK taxation of receipt of scrip dividends

Once the Company is resident in the UK for UK tax purposes, a UK resident individual Shareholder who elects to receive Ordinary Shares under the Company's scrip dividend scheme will be treated as having received gross income of an amount which, when reduced by income tax at the dividend ordinary rate of 10 per cent., is equal to the cash equivalent of those Ordinary Shares. The cash equivalent of each Ordinary Share will normally be the amount of cash dividend foregone to receive the Ordinary Share. However, if the market value of an Ordinary Share on the first day of dealing on the London Stock Exchange (the "**Opening Value**") differs by 15 per cent. or more from the amount of cash dividend foregone in respect of the Share, the cash equivalent of one such Ordinary Share will be the Opening Value. The UK income tax treatment of such amount will be broadly the same as it is for cash dividends, set out in paragraph 1.1 above (including as regards the availability of a tax credit). For capital gains tax purposes, such Ordinary Shares will be treated as having been acquired for an amount equal to their cash equivalent (as described above).

Shareholders within the charge to UK corporation tax will not generally be chargeable on the receipt of Ordinary Shares issued under a scrip dividend scheme instead of receipt of a cash dividend. For the purposes of corporation tax on chargeable gains, no consideration will be treated as having been given for such Ordinary Shares.

Shareholders should note that, whilst the Company is not resident in the UK for UK tax purposes, the UK taxation consequences for Shareholders who elect to participate in a scrip dividend scheme would differ from the above. For as long as the Company remains resident in Guernsey for Guernsey tax purposes, Shareholders to whom Ordinary Shares are issued pursuant to a scrip dividend scheme should not be liable to UK income or corporation tax in respect of the issue of these Ordinary Shares. For the purposes of calculating any future liability to UK tax on chargeable gains, the Ordinary Shares issued should be added to a Shareholder's existing shareholding and treated as having been acquired as and when the existing shares were acquired. (The cost of acquisition of the existing shares should represent the cost of acquisition of the increased shareholding, and there should be no addition to the base cost of the increased shareholding.)

1.3 UK taxation consequences of disposing of Ordinary Shares

A disposal of Ordinary Shares by a UK tax resident Shareholder may, depending on individual circumstances, give rise to a chargeable gain or allowable loss for UK tax purposes.

A disposal of Ordinary Shares by a Shareholder who is not resident in the UK for tax purposes but who carries on a trade, profession or vocation in the UK through a branch, agency or permanent establishment and has used, held or acquired Ordinary Shares for the purposes of such trade, profession or vocation or such branch, agency or permanent establishment may, depending on individual circumstances, give rise to a chargeable gain or allowable loss for UK tax purposes.

A Shareholder who is an individual and who is temporarily non-resident in the UK for a period of less than five complete tax years may, under anti-avoidance legislation, still be

liable to UK taxation on his return to the UK on a chargeable gain realised on the disposal or part disposal of Ordinary Shares during the period when he is non-resident.

For corporate Shareholders only, indexation allowance on the relevant proportion of the original allowable cost should be taken into account for the purposes of calculating a chargeable gain (but not an allowable loss) arising on a disposal or part disposal of Ordinary Shares.

The UK taxation consequences for a Shareholder making a disposal of Shares should be the same whether the Company is resident for tax purposes in the UK for UK tax purposes or in Guernsey for Guernsey tax purposes (or both) at the time of the disposal.

The change in the Company's tax residence from Guernsey to the UK will not give rise to a disposal of Ordinary Shares for UK tax purposes for Shareholders.

1.4 UK stamp duty and SDRT

The statements in this paragraph 1.4 assume that the Ordinary Shares will not be registered in a register kept in the UK by or on behalf of the Company. The Company currently does not intend to keep such a register in the UK.

No UK stamp duty or stamp duty reserve tax ("**SDRT**") will be payable on the issue of Ordinary Shares.

In practice, UK stamp duty should generally not need to be paid on an instrument transferring Ordinary Shares, provided that such transfer instruments are executed and retained outside of the UK.

No UK SDRT will be payable in respect of any agreement to transfer Ordinary Shares.

2. Guernsey Taxation

The following summary is intended as a general guide only and relates only to certain limited aspects of taxation in Guernsey. It is based on current Guernsey tax law and practice, both of which are subject to change, possibly with retrospective effect, and states the position whether the Company is solely UK tax resident, or is resident both in the UK for UK tax purposes and in Guernsey for Guernsey tax purposes. This summary does not consider the position of any individual who is not solely or principally resident in Guernsey for Guernsey tax purposes, nor the position of those individuals who qualify or elect for an annual cap on the amount of tax payable by such individual in Guernsey.

The proposed change in residence for tax purposes of the Company should not result in any adverse change in the taxation of Guernsey resident Shareholders in Guernsey.

A Shareholder who is an individual solely or principally resident in Guernsey for Guernsey tax purposes, or which is a company resident in Guernsey for Guernsey tax purposes, is taxable on the dividends received from the Company at the appropriate rate for that Shareholder.

The receipt of a cash dividend or a scrip dividend by a Shareholder who is taxable in Guernsey on that receipt would be charged to income tax in Guernsey at the applicable rate on the amount of the cash dividend or scrip dividend received by the Shareholder.

Shareholders who are not resident for tax purposes in Guernsey who receive a dividend, either in cash or as scrip dividend, will not suffer any Guernsey tax, nor will the Company be required to withhold tax from such distributions.

Shareholders in Guernsey will receive a tax credit as described in the above section entitled "UK Taxation" but will not be able to utilise that tax credit to off-set any liability to Guernsey income tax that they may have. Shareholders in Guernsey may be able to claim relief against their liability to Guernsey income tax in respect of tax paid by the Company in the UK.

PART IV DEFINITIONS

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

"Articles"	means the articles of incorporation of the Company;
"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 non-cellular company limited by shares incorporated in Guernsey under the Companies Law on 9 October 2008, with registered number 49558;
"Directors"	means 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;
"EEA"	means the European Economic Area;
"Form of Instruction"	means the form of instruction accompanying this document for use by Share Account Holders 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;
"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 Trafalgar Court, Les Banques, St. Peter Port, Guernsey, GY1 3QL, Channel Islands at 3.00pm on 20 March 2013 to approve the Proposed Amendments to the Articles;
"Group"	means the Company and its subsidiaries, including Friends Life Group plc;
"Guernsey"	means the island of Guernsey;
"IGCA"	means Insurance Groups Capital Adequacy;
"Listing Rules"	means the listing rules made by the Financial Services Authority under Part VI of FSMA;
"London Stock Exchange"	means London Stock Exchange plc;
"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;
"Ordinary Shares"	means the ordinary shares of no par value in the capital of the Company;
"Proposed Amendments"	means the proposal to amend the Company's Articles as set out in the Notice of General Meeting;
"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;
"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;
"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; and
"United Kingdom" or "UK"	means the United Kingdom of Great Britain and Northern Ireland.

PART V
NOTICE OF GENERAL MEETING
Resolution Limited

(incorporated in Guernsey under number 49558)

NOTICE IS HEREBY GIVEN that a General Meeting of the Company will be held at Trafalgar Court, Les Banques, St. Peter Port, Guernsey, GY1 3QL, Channel Islands on 20 March 2013 at 3.00pm to consider and, if thought fit, to pass the following resolution as a special resolution:

SPECIAL RESOLUTION

1. That the Articles of Incorporation produced to the meeting, and initialled by the chairman of the meeting for the purpose of identification, be adopted as the new Articles of Incorporation of the Company in substitution for, and to the exclusion of, the existing Articles of Incorporation.

BY ORDER OF THE BOARD

Northern Trust International Fund Administration Services (Guernsey) Limited

Company Secretary

22 February 2013

Registered in Guernsey with No. 49558

Registered Office: Trafalgar Court, Les Banques, St. Peter Port, Guernsey, GY1 3QL, 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 or give instructions online by going to the Investor Relations page at <http://www.resolution.gg> and clicking on the "General Meeting Information" link on the left-hand side. 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, Bridgwater Road, Bristol BS99 6ZY by no later than 3.00pm on 18 March 2013, 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 3.00pm on 18 March 2013. 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 6.00pm on 18 March 2013 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 6.00pm on 18 March 2013 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 or give your instructions online by going to the Investor Relations page at <http://www.resolution.gg> and clicking on the "General Meeting Information" link on the left-hand side of the screen by no later than 3.00pm on 16 March 2013. 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, Bridgwater 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 be made available on the Company's website at <http://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 <http://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 15 February 2013, being the latest practicable date prior to the publication of this document, is 1,418,109,028, consisting of 1,418,109,028 Ordinary Shares of no par value each, none of which are held in treasury.
18. The contents of this notice of meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the Meeting, details of the totals of the voting rights that members are entitled to exercise at the Meeting and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website: <http://www.resolution.gg>.
19. The above resolution is proposed as a special resolution and, as noted above, voting will be conducted by way of a poll rather than on a show of hands. For a special resolution to be passed on a poll, it must be passed by members representing not less than 75 per cent. of the total voting rights of the members who, being entitled to do so, vote in person or by proxy on the resolution.
20. The quorum for the General Meeting will be two holders of Ordinary Shares present and entitled to vote in person or by proxy. In the event that a quorum is not present for the General Meeting within 20 minutes (or such longer time not exceeding 1 hour as the chairman of the meeting may decide to wait) of the time appointed for the General Meeting, the General Meeting shall stand adjourned to such other day and/or time and/or place as the Board may determine (not being less than 10 days later) and (subject to the Articles) no notice of adjournment need be given. On the resumption of an adjourned meeting, one member present in person or by proxy shall constitute the quorum.