

Friends Provident plc

Notice of General Meeting (Registered in England and Wales No. 4113107)

NOTICE IS HEREBY GIVEN that a GENERAL MEETING of the Company shall be held at The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1P 3EE on 21 May 2009 at 12.30 p.m. (or as soon thereafter as the Court Meeting (as defined in the Circular of which this Notice forms part (the “Circular”)) has concluded or been adjourned) for the purpose of considering and, if thought fit, passing the following resolutions which shall be proposed as special resolutions:

SPECIAL RESOLUTIONS

1 Scheme of Arrangement

That:

- (1) for the purpose of giving effect to the scheme of arrangement dated 5 May 2009 between the Company and the holders of its Scheme Shares (as defined in the said scheme of arrangement), a print of which has been produced to this meeting and for the purposes of identification signed by the chairman thereof, in its original form or subject to any modification, addition or condition approved or imposed by the Court and agreed to by the Company and Friends Provident Group (the “Scheme”):
 - (a) the directors of the Company be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect;
 - (b) the share capital of the Company be reduced by cancelling and extinguishing all the Scheme Shares (as defined in the Scheme);
 - (c) subject to and forthwith upon the said reduction of capital taking effect and notwithstanding anything to the contrary in the articles of association of the Company:
 - (i) the authorised share capital of the Company be increased to its former amount by the creation of such number of new Ordinary Shares of 10p each as shall be equal to the number of Scheme Shares cancelled pursuant to paragraph (b) above;
 - (ii) the reserve arising in the books of account of the Company as a result of the said reduction of capital be capitalised and applied in paying up in full at par the new Ordinary Shares so created, such Ordinary Shares to be allotted and issued credited as fully paid to Friends Provident Group and/or its nominee(s); and
 - (iii) the directors of the Company be generally and unconditionally authorised for the purposes of section 80 of the Companies Act 1985 to allot the new Ordinary Shares referred to in paragraph (c)(i) above, provided that (1) the maximum aggregate nominal amount of the shares which may be allotted under this authority shall be the aggregate nominal amount of the said new Ordinary Shares created pursuant to paragraph (c)(i) above, (2) this authority shall expire on the fifth anniversary of the date of this resolution and (3) this authority shall be

in addition and without prejudice to any other authority under the said section 80 previously granted and in force on the date on which this resolution is passed; and

- (2) with effect from the passing of this resolution, the articles of association of the Company be amended by the adoption and inclusion of the following new article 150:

“SCHEME OF ARRANGEMENT

- (a) In this Article 150, the “Scheme” means the scheme of arrangement dated 5 May 2009 between the Company and the holders of its Scheme Shares (as defined in the Scheme) under Part 26 of the Companies Act 2006 in its original form or with or subject to any modification, addition or condition approved or imposed by the Court and agreed by the Company and Friends Provident Group plc and (save as defined in this Article) expressions defined in the Scheme shall have the same meanings in this Article.
- (b) Notwithstanding any other provision of these Articles, if the Company issues any Ordinary Shares (other than to Friends Provident Group or its nominee(s)) after the adoption of this Article and before the Reduction Record Time, such shares shall be issued subject to the terms of the Scheme (and shall be Scheme Shares for the purposes thereof) and the holders of such shares shall be bound by the Scheme accordingly.
- (c) Subject to the Scheme becoming effective, if any Ordinary Shares are issued to any person (a “**New Member**”) (other than under the Scheme or to Friends Provident Group or its nominee(s)) on or after the Effective Date (the “**Post-Scheme Shares**”), they shall be immediately transferred to Friends Provident Group (the “**Purchaser**”) (or as it may direct) in consideration of (subject as hereinafter provided) the allotment and issue or transfer to the New Member of such number of Friends Provident Group Shares (the “**Consideration Shares**”) as that New Member would have been entitled to had each Post-Scheme Share been a Scheme Share, provided that if the Company is advised that the allotment and/or issue or transfer of Friends Provident Group Shares pursuant to this Article would or may infringe the laws of a jurisdiction outside the United Kingdom or would or may require Friends Provident Group to comply with any governmental or other consent or any registration, filing or other formality with which Friends Provident Group is unable to comply or compliance with which Friends Provident Group regards as unduly onerous, the Company may, in its sole discretion, determine that such Friends Provident Group Shares shall be sold, in which event the Company shall appoint a person to act pursuant to this Article and such person shall be authorised on behalf of such holder to procure that any shares in respect of which the Company has made such determination shall, as soon as practicable following the allotment, issue or transfer of such shares, be sold.
- (d) The Consideration Shares allotted and issued or transferred to a New Member pursuant to paragraph (c) of this Article shall be credited as fully paid and shall rank *pari passu* in all respects with all other Friends Provident Group Shares in issue at that time (other than as regards any dividend or other distribution payable by reference to a record date preceding the date of allotment) and shall be subject to the Memorandum and Articles of Association of the Purchaser.

- (e) The number of Consideration Shares to be allotted and issued to a New Member pursuant to paragraph (c) of this Article may be adjusted by the Directors of the Company, in such manner as the auditors of the Company may determine, on any reorganisation of or material alteration to the share capital of either the Company or the Purchaser effected after the close of business on the Effective Date. For the avoidance of doubt, the Friends Provident Group Reduction shall not give rise to any adjustment under this paragraph (e) and the New Members shall not be entitled to receive any benefit pursuant to such reduction of capital.
 - (f) To give effect to any transfer of Post-Scheme Shares, the Company may appoint any person as attorney for the New Member to transfer the Post-Scheme Shares to the Purchaser and/or its nominee(s) and do all such other things and execute and deliver all such documents as may in the opinion of the attorney be necessary or desirable to vest the Post-Scheme Shares in the Purchaser or its nominee(s) and pending such vesting to exercise all such rights attaching to the Post-Scheme Shares as the Purchaser may direct. If an attorney is so appointed, the New Member shall not thereafter (except to the extent that the attorney fails to act in accordance with the directions of the Purchaser) be entitled to exercise any rights attaching to the Post-Scheme Shares unless so agreed by the Purchaser. The attorney shall be empowered to execute and deliver as transferor a form of transfer or other instrument or instruction of transfer on behalf of the New Member (or any subsequent holder) in favour of the Purchaser and the Company may give a good receipt for the consideration for the Post-Scheme Shares and may register the Purchaser as holder thereof and issue to it certificates for the same. The Company shall not be obliged to issue a certificate to the New Member for the Post-Scheme Shares.
 - (g) Notwithstanding any other provision of these Articles, neither the Company nor the Directors shall register the transfer of any Scheme Shares effected between the Scheme Record Time and the Effective Date.”; and
- (3) with effect from the passing of this resolution:
- (a) one authorised but unissued share of the Company be reclassified as a Deferred Share of 10p, such Deferred Share to have the rights set out in the Articles of Association of the Company as amended pursuant to paragraph (b) below;
 - (b) the Articles of Association of the Company be altered by the adoption and inclusion of the following new Article 151:

“The Deferred Share so designated by special resolution of the Company passed on the same date as the date of adoption of this Article shall have all the rights of an ordinary share as set out in these Articles, save that:

 - (i) the holder of the Deferred Share shall not be entitled to receive a dividend or other distribution or to have any other right to participate in the profits of the Company;
 - (ii) the holder of the Deferred Share shall have no right to attend or vote at any general meeting of the Company; and

- (iii) on a return of capital or winding-up of the Company, the holder of the Deferred Share shall be entitled, subject to the payment to the holders of all other classes of shares of the amount paid up or credited as paid up on such shares, to repayment of the amount paid up or credited as paid up on the Deferred Share, but shall have no further or other right to participate in the assets of the Company.”;
- (c) the Directors be generally and unconditionally authorised for the purposes of section 80 of the Companies Act 1985 to allot the said Deferred Share provided that (1) this authority shall expire on the fifth anniversary of the date of this resolution and (2) this authority shall be in addition and without prejudice to any authority under the said section 80 previously granted and in force on the date on which this resolution is passed; and
- (d) pursuant to and during the period of the said authority the Directors be empowered to allot the said Deferred Share wholly for cash as if section 89(1) of the said Act did not apply to any such allotment.
- 2 **That**, subject to the passing of the resolution numbered 1 set out in the notice convening this General Meeting, the proposed reduction of capital of Friends Provident Group approved or to be approved by a special resolution of the shareholders of Friends Provident Group (as described in Part II (Explanatory Statement) of the Circular) be approved.

By order of the Board

5 May 2009

Gordon Ellis
Company Secretary
Registered office

Pixham End
Dorking
Surrey
RH4 1QA

Notes:

- (1) A member of the Company entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, speak and vote at the meeting. A proxy need not be a member of the Company.
- (2) A Yellow Form of Proxy or Form of Direction is enclosed with this notice. Instructions for use are shown on the form. Lodging a Form of Proxy will not prevent the shareholder from attending and voting in person.
- (3) To be valid, an appointment of proxy must be returned using one of the following methods:
- by sending the enclosed Yellow Form of Proxy or Form of Direction (together, if appropriate, with the power of attorney or other written authority under which it is signed or a certified copy of such power or authority) to the offices of the Company’s Registrar, Equiniti of Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA using the pre-paid addressed envelope provided;
 - by logging onto www.friendsprovident.com/gm, entering the voting ID, task ID and shareholder reference number printed on the enclosed Yellow Form of Proxy or Form of Direction and following the online instructions;
 - in the case of CREST members, by utilising the CREST electronic proxy appointment;
- and in each case the appointment of proxy (together with any relevant power/authority) must be received (or, in the case of the appointment of a proxy through CREST, retrieved by enquiry to CREST in the manner prescribed by CREST) by the Company’s Registrar not later than 48 hours before the time appointed for holding the meeting.
- (4) The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with section 146 of the Companies Act 2006 (“**nominated persons**”). Nominated persons may have a right under an agreement with the member who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.
- (5) Friends Provident Shareholders (but not those who hold through the Friends Provident Share Account) are entitled to appoint a proxy in respect of some or all of their shares. Friends Provident Shareholders are also entitled to appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such

shareholder. A space has been included in the Yellow Form of Proxy to allow you to specify the number of shares in respect of which that proxy is appointed. If you return the Form of Proxy duly executed but leave this space blank you will be deemed to have appointed the proxy in respect of all of your shares. If you wish to appoint more than one proxy in respect of your shareholding you should contact the Company's Registrar, Equiniti on 0871 384 2012 (or on +44 20 8495 4613 if calling from outside the UK) for further Yellow Forms of Proxy or photocopy the Yellow Form of Proxy as required. You should also read the section entitled "Multiple Proxy Voting Instructions" on page 8 of the Circular, and note the principles that will be applied in relation to multiple proxies.

- (6) Entitlement to attend and vote at the meeting or any adjournment thereof and the number of votes which may be cast thereat will be determined by reference to the register of members of the Company at 6.00 p.m. on the day which is two days before the date of the meeting or adjourned meeting (as the case may be). In each case, changes to the register of members of the Company after such time will be disregarded in determining the rights of any person to attend or vote at the meeting.
- (7) Holders of ordinary shares are entitled to attend and vote at general meetings of the Company. Voting on the resolutions will be by poll. On a poll vote every member who is present in person or by proxy has one vote for every ordinary share of which he is the holder.
- (8) Copies of the Company's existing Articles of Association as proposed to be amended by the special resolution set out in this notice are available for inspection at the offices of Linklaters LLP of One Silk Street, London EC2Y 8HQ during normal business hours on a weekday until the opening of business on the day on which the meeting is held and will also be available for inspection at the place of the meeting for at least 15 minutes prior to and during the meeting.
- (9) As at 24 April 2009, the latest practical date prior to the publication of this Circular, Friends Provident's issued share capital consisted of 2,341,118,083 ordinary shares of 10 pence each of which 15,857,868 shares were held in treasury. The total number of voting rights in Friends Provident as at 24 April 2009 was therefore 2,325,260,215.