

## **Ecclesiastical Insurance Group plc – Articles of Association**

NOTICE is hereby given that the Annual General Meeting of Ecclesiastical Insurance Group plc will be held at Beaufort House, Brunswick Road, Gloucester, GL1 1JZ on Wednesday, 24<sup>th</sup> June 2009 at 12:30 pm to transact the following ordinary business of the Company:

1. To receive the Report of the Directors and Accounts for the year ended 31<sup>st</sup> December 2008 and the report of the auditors thereon.
2. To re-elect Mr Couve as a director.\*
3. To re-elect Mr Christie as a director.\*
4. To re-elect Mr Samuel as a director.\*
5. To consider the declaration of a dividend.
6. To re-appoint Deloitte & Touche LLP as auditors and authorise the directors to fix their remuneration.

### **Special business**

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

7. That with effect from 1<sup>st</sup> October 2009, the Articles of Association produced to the meeting and initialled by the chairman of the meeting for the purpose of identification be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association (see Annex A below for summary of changes).

## **Annex A**

### **EXPLANATORY NOTES ON PRINCIPAL CHANGES TO THE COMPANY'S ARTICLES OF ASSOCIATION (Resolution 7).**

#### **1. General**

Generally the opportunity has been taken to re-draft the new Articles of Association in plain English using clearer language and in some areas to conform the language of the new Articles of Association to the Companies Act 2006.

#### **2. Articles which duplicate statutory provisions**

Provisions in the current Articles of Association which replicate provisions contained in the Companies Act 2006 are in the main to be removed in the New Articles, or amended to bring them into line with the Companies Act 2006.

#### **3. Change of name**

Currently, a company can only change its name by special resolution. Under the Companies Act 2006 a company will be able to change its name by other means provided for by its articles. To take advantage of this provision, the new Articles of Association enable the directors to pass a resolution to change the Company's name.

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

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

#### **5. Redeemable shares**

At present if a company wishes to issue redeemable shares, it must include in its articles the terms and manner of redemption. The Companies Act 2006 enables directors to determine such matters instead provided they are so authorised by the articles. The new Articles of Association contain such an authorisation. The Company has no plans to issue redeemable shares but if it did so the directors would need shareholders' authority to issue new shares in the usual way.

#### **6. Authority to purchase own shares, consolidate and sub-divide shares**

Under the law currently in force a company requires specific enabling provisions in its articles to purchase its own shares, to consolidate or sub-divide its shares and to reduce its share capital or other undistributable reserves as well as shareholder authority to undertake the relevant action. The current Articles include these enabling provisions. Under the Companies Act 2006 a company will only require

shareholder authority to do any of these things and it will no longer be necessary for articles to contain enabling provisions. Accordingly the relevant enabling provisions have been removed in the new Articles of Association.

**7. Suspension of registration of share transfers**

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

**8. Vacation of office by directors**

The current Articles of Association specify the circumstances in which a director must vacate office. The new Articles of Association update these provisions to reflect the approach taken on mental and physical incapacity in the model articles for public companies produced by the Department for Business, Enterprise and Regulatory Reform.

**9. Electronic and web communications**

The new provisions of the Companies Act 2006 enable companies to communicate with members by electronic communications, including the ability to communicate using a website. This is reflected in the New Articles. We will write to shareholders again before this provision is activated.

**10. Directors' indemnities and loans to fund expenditure**

The Companies Act 2006 has in some areas widened the scope of the powers of a company to indemnify directors. The Act now allows indemnities to apply to directors of associated companies and the New Articles take advantage of this provision.

A copy of the above document has been submitted to the UKLA Listing Authority, and will shortly be available for inspection at the UK Listing Authority's Document Viewing Facility, which is situated at:

Financial Services Authority  
25 The North Colonnade  
Canary Wharf  
London  
E14 5HS