

# Assura Group Limited

## Notice of Annual General Meeting

**THIS IS AN IMPORTANT DOCUMENT. IF YOU ARE ANY DOUBT AS TO WHAT ACTION TO TAKE YOU SHOULD CONSULT AN APPROPRIATE INDEPENDENT FINANCIAL ADVISOR.**

**IF YOU HAVE RECENTLY SOLD OR TRANSFERRED YOUR SHARES IN THE COMPANY THEN THIS DOCUMENT SHOULD BE PASSED TO THE PERSON THROUGH WHOM THE SALE OR TRANSFER WAS EFFECTED FOR TRANSMISSION TO THE PURCHASER OR TRANSFEREE.**

Notice is given that the 2010 Annual General Meeting of the shareholders of Assura Group Limited (the "Company") will be held 9am on Thursday 9 September 2010 at the offices of Addleshaw Goddard, Milton Gate, 60 Chiswell Street, London, EC1Y 4AG, to consider and, if thought fit, pass the following resolutions.

Resolutions 1 to 6 will be proposed as ordinary resolutions and resolution 7 will be proposed as a special resolution.

For the purposes of this Notice, the term "the statutes" shall have the meaning given to it in the Company's articles of incorporation.

### Ordinary Resolutions

1. To receive the annual report and accounts of the Company for the financial year ended 31 March 2010 together with the reports of the directors and auditor thereon.
2. To approve the directors' remuneration report set out in the annual report and accounts for the financial year ended 31 March 2010.
3. To re-appoint Ernst & Young LLP as auditors of the Company, to hold office until the conclusion of the next general meeting of the Company at which accounts are laid before shareholders and to authorise the directors to determine the auditors' remuneration.
4. To approve the re-election of Rodney Baker-Bates as a director who retires by rotation in accordance with the Company's articles of incorporation.
5. To approve the re-election of Peter Pichler as a director who retires by rotation in accordance with the Company's articles of incorporation.
6. That the directors be generally and unconditionally authorised in accordance with the statutes to exercise all the powers of the Company to allot, grant rights to subscribe for, or to convert any security into, shares in the Company:
  - a. up to an aggregate amount of 105,820,000 ordinary shares of 10p each and 20,000,000 Preference shares of 10p each; and
  - b. up to a further nominal amount of 105,820,000 ordinary shares of 10p each in connection with an offer by way of a rights issue,

such authorities to expire 15 months after the passing of this resolution or, if earlier, on the date of the annual general meeting to be held in 2011 (or any adjournment thereof) after the passing of this resolution. Notwithstanding such expiry, the authorities shall in each case still permit the Company to make allotments of relevant securities in respect of offers or agreements made before such expiry, which would or might require relevant securities to be allotted after such expiry. These authorities revoke all previous authorities to directors without prejudice to any allotment of securities made pursuant to such authorities.

For the purposes of this resolution "rights issue" means an offer to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings (and, if applicable, to the holders of any other class of equity security in accordance with the rights attached to such class) to subscribe further securities by means of the issue of a renounceable letter (or other negotiable document) which may be traded for a period before payment for the securities is due, subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to (i) fractions of such securities, (ii) the issue, transfer and/or holding of any securities in certificated form or in uncertificated form, (iii) the use of one or more currencies for making payments in respect of such offer, (iv) any such shares or other securities being represented by depositary receipts, (v) treasury shares or (vi) any legal or practical problems arising under the laws of, or the requirements of any regulatory body, or any stock exchange in any territory.

### Special Resolution

7. That the Company be and is generally and unconditionally authorised for the purposes of the statutes to make one or more market purchases and/or acquisitions (within the meaning of the statutes) on the London Stock Exchange of ordinary shares in the capital of the Company and, where shares are held as treasury shares, to use them, inter alia, for the purposes of employee share plans operated by the Company, provided that:
  - a. the maximum aggregate number of ordinary shares hereby authorised to be purchased is 31,746,700 (representing less than 10% of the Company's issued share capital as at 28 June 2010);
  - b. the minimum price (exclusive of expenses) which may be paid for such ordinary shares is 10p per share;

- c. the maximum price (exclusive of expenses) which may be paid for such ordinary shares is an amount equal to:
- i. not more than 5% above the average of the middle market quotations for the ordinary shares derived from the Daily Official List of the London Stock Exchange for the five business days before the purchase is made; or
  - ii. the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange;
- d. the authority hereby conferred shall expire at the conclusion of the next annual general meeting of the Company held in 2011, or, if earlier, the date 15 months after the date on which this resolution is passed; and
- e. the Company may make a contract or contracts to purchase ordinary shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of ordinary shares in pursuance of any such contract or contracts.

By order of the Board

**Conor Daly**  
**Company Secretary**

Registered office:  
Isabelle Chambers  
Route Isabelle  
St Peter Port  
Guernsey

*Registered in Guernsey No. 41230*

Dated 28 June 2010

**Notes:**

- 1 A shareholder entered on the Company's ordinary share register at 9.00 a.m. on 7 September 2010 (or, in the case of an adjournment, by 9.00 a.m. on the day two days immediately preceding the day fixed for the adjourned meeting) is entitled to attend and vote at the 2010 Annual General Meeting. If you are no longer on the Company's register of shareholders at that time, you will no longer be entitled to attend.
- 2 A shareholder of the Company who is entitled to attend and vote at the 2010 Annual General Meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not also be a shareholder of the Company.
- 3 The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- 4 To be valid and effective the instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority shall be deposited at Computershare Investor Services (Jersey) Limited, Queensway House, Hilgrove Street, St Helier, Jersey, JE4 9XY not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken more than 48 hours after it is demanded, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
- 5 Appointment of a proxy will not prevent you from attending the meeting and voting in person at the meeting or any adjourned meeting.
- 6 Any corporation which is a shareholder of the Company may by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of shareholders of the Company, and the person so authorised shall be entitled to exercise the same powers (other than a power to appoint a proxy) as that corporation could exercise if it were an individual shareholder of the Company.
- 7 As at 28 June 2010 (the latest practicable date prior to the printing of this document) the Company's issued share capital consisted of 317,467,036 ordinary shares of 10p each, all carrying one vote each.
- 8 Copies of the following documents are available for inspection at Milton Gate, 60 Chiswell Street, London, EC1Y 4AG and at the registered office of the Company during usual business hours on any weekday (weekends and public holidays excluded) and will be available for inspection at the place of the Annual General Meeting for 15 minutes before and during the Annual General Meeting itself:
  - f. a copy of the Company's annual report and accounts for the financial year ended 31 March 2010; and
  - g. copies of the executive directors' service contracts and non-executive directors' appointment letters.

# Explanatory Notes to the Notice of Annual General Meeting

The notes on the following pages give an explanation of the proposed resolutions:

## **Resolution 1:**

### **Annual Report and Accounts**

For each financial year the directors are required to present the directors' report, the audited accounts and the auditors' reports to shareholders at a general meeting. Shareholders are asked to receive the annual report and accounts of the Company for the financial year ended 31 March 2010. The Companies Law (Guernsey) requires that the Annual Report is laid before the annual general meeting. Assura Articles of Incorporation contain no requirement to adopt the annual accounts, nevertheless, Assura has adopted a Corporate Governance Compliance Statement which provides that the board should propose an AGM resolution 'relating' to the report and accounts.

## **Resolution 2:**

### **Approval of the directors' remuneration report**

The Company has decided to seek the approval of the shareholders of its annual report on remuneration policy and practice. This does not affect the directors' entitlement to remuneration and the result of this resolution is advisory only.

The remuneration report for the financial year ended 31 March 2010 is set out in full on pages 25 to 29 of the Annual Report and Accounts.

Your directors are satisfied that the Company's policy and practice in relation to directors' remuneration are reasonable and that they deserve the support of the shareholders.

## **Resolution 3:**

### **Re-appointment of auditors**

The Company has decided to seek the approval of the shareholders for the re-appointment of its auditors, at each general meeting before which accounts are laid, to hold office until the end of the next such meeting. Ernst & Young LLP have indicated that they are willing to continue as the Company's auditors for another year. You are asked to re-appoint them and, following normal practice, to authorise the directors to determine their remuneration. The directors recommend their re-appointment.

## **Resolutions 4 and 5:**

### **Re-election of directors**

Under the Company's articles of incorporation directors are obliged to retire by rotation at annual general meetings and may not serve beyond three years without being re-elected by shareholders.

The directors who now fall due for retirement and re-election, through separate resolutions numbered 4 and 5 are Rodney Baker-Bates and Peter Pichler. Brief biographical details of both directors seeking re-election can be found on page 6 of the Annual Report and Accounts. The remaining directors unanimously recommend that each of these directors be re-elected as a director of the Company on the basis that, following performance evaluation, both continue to be effective and demonstrate commitment to the role.

## **Resolution 6:**

### **Power to allot shares**

The directors are currently authorised to allot relevant securities of the Company, but their authorisation ends on the date of the annual general meeting. This resolution seeks to renew the directors' authority to allot shares. The Association of British Insurers (ABI) published guidance on 31 December 2008 (updated in November 2009) to the effect that ABI Members will regard as routine a request for authorisation to allot new shares in an amount of up to one third of the existing issued share capital and additionally that they will regard as routine requests to authorise the allotment of a further one third, provided that such additional headroom shall be applied to fully pre-emptive rights issues only and the authorisation shall be valid for one year only. The directors recommend that the Company should have this additional headroom and confirm that the authority is limited to the amounts set out in the resolution, being approximately 33.33% in each of parts (a) and (b) of the resolution and approximately 66.66% in aggregate of the total ordinary share capital in issue as at 28 June 2010, being the latest practicable date prior to the publication of this document. As at 28 June 2010, the Company did not hold any shares in treasury. The renewed authority will remain in force until the date of the next annual general meeting in 2011 or 15 months after the passing of the resolution, whichever is the earlier.

The directors have provided that any such allotment using the power under Resolution 6 will be made to shareholders on a pre-emptive basis, save that;

- i) Such pre-emption rights only apply to an issue for cash ie the Company could issue the shares as consideration for the acquisition of assets; and
- ii) The Company reserves the right to issue shares for cash otherwise than on a pre-emptive basis representing up to 5% of the issued share capital (as at 28 June 2010).

The directors have no present intention of exercising this authority. The purpose of giving the directors this authority is to maintain the Company's flexibility to take advantage of any appropriate opportunities that may arise. The directors also understand that ABI Members will expect that all members of the Board wishing to remain in office will stand for re-election at the next Annual General Meeting of the Company following the decision to make any such issue under the additional headroom referred to in part (b) of the resolution in question.

#### **Resolution 7:**

##### **Authority to purchase own shares and treasury shares**

This resolution, which will be proposed as a special resolution, is to renew the authority granted to the directors at last year's annual general meeting, which expires on the date of the annual general meeting, and to give the Company authority to buy back its own ordinary shares in the market as permitted by Guernsey law.

The authority limits the number of shares that could be purchased to a maximum of 31,746,700 (representing less than 10% of the issued ordinary share capital of the Company as at 28 June 2010 (being the latest practicable date prior to the publication of this Notice) and sets minimum and maximum prices. This authority will expire no later than 15 months after the date of the annual general meeting.

Your Directors believe that the Company should continue to have the authority to purchase its own shares. The authority will be exercised only if the directors believe that to do so would result in an increase in earnings per share and would promote the success of the Company for the benefit of its shareholders generally. To the extent that any shares so purchased are held in treasury (see below), earnings per share will be enhanced until such time, if any, as such shares are resold or transferred out of treasury. The directors have no current intention of exercising this authority, but will keep the matter under review.

Any purchases of ordinary shares would be by means of market purchases through the London Stock Exchange.

Guernsey law permits the Company to purchase and hold as treasury shares, 10% of the total number of the issued ordinary shares of the Company at the relevant time. Shares held in treasury in this manner can be cancelled, sold for cash or, in appropriate circumstances, used to meet obligations under employee share schemes. Any shares held in treasury would not be eligible to vote nor would any dividend be paid on any such shares. If any ordinary shares purchased pursuant to this authority are not held by the Company as treasury shares then such shares would be immediately cancelled in which event the number of ordinary shares in issue would be reduced.

It is expected that the Company will hold any shares purchased under this authority as treasury shares. However, prior to any repurchase, the Company will advise shareholders through a Regulatory Information Service if any shares repurchased are to be cancelled.

The directors believe that it continues to be desirable for the Company to have this choice. Holding the repurchased shares as treasury shares gives the Company the ability to re-issue them quickly and cost effectively and provides the Company with additional flexibility in the management of its capital base. No dividends will be paid on, and no voting rights will be exercised in respect of, treasury shares.

This resolution also authorises the Company to transfer any treasury shares held by it for the purposes of its employee share plans. Treasury shares transferred for these purposes will, so long as required under the guidelines of the ABI and Pre-emption Group, count towards the limits on the number of new shares which may be issued otherwise than on a pre-emptive basis.

As at 29 June 2010 (being the latest practicable date prior to the publication of the notice of annual general meeting), there were no options outstanding over the ordinary shares in the capital of the Company. As at 28 June 2010 (being the latest practicable date prior to the publication of this document) the Company did not hold any shares in treasury.

The Company's Employee Benefit Trust currently holds 11,042,886 shares in the Company, representing 3.48% of the shares in issue.

The directors recommend all shareholders to vote in favour of all the resolutions, as the directors intend to do so in respect of their own shares, and consider that they are in the best interests of the Company and the shareholders as a whole.