



## Notice of Annual General Meeting 21 May 2009

This document is important and requires your immediate attention.

If you are in any doubt about what action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant, or other independent professional adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all your ordinary shares of 25p each in Chaucer Holdings PLC please hand this document or a copy thereof to the stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

Chaucer Holdings PLC (Registered in England No. 2847982)

Registered Office, Plantation Place, 30 Fenchurch Street, London, EC3M 3AD

27 April 2009

To the Chaucer Holdings PLC ordinary shareholders and  
To participants in the Chaucer Holdings PLC All Employee Share Ownership Plan

Dear Shareholder

### Annual General Meeting on 21 May 2009

I attach the formal Notice of Annual General Meeting ('AGM') which will be held in the Company's offices at Plantation Place, 30 Fenchurch Street, London EC3M 3AD on 21 May 2009 at 12 noon. The Directors would also welcome the opportunity of meeting you afterwards when refreshments will be available.

### EXPLANATORY NOTES

Immediately following each resolution in the Notice are some explanatory notes relating to the business to be proposed at the AGM.

### FORM OF PROXY

Enclosed also is a form of proxy which, if you are unable to attend the AGM, you are asked to complete and return to the Company's Registrars, Equiniti, whose address details are Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6ZR by no later than 12 noon on 19 May 2009.

### RECOMMENDATION

Your Board considers each of the resolutions to be in the best interests of the Company and its shareholders. Accordingly, your Directors recommend that you vote in favour of the resolutions as they intend to do in respect of their own beneficial holdings.

Yours sincerely

A handwritten signature in black ink that reads "D. Turner". The signature is written in a cursive, slightly stylized font.

David Turner  
Company Secretary

## Notice of Annual General Meeting

Notice is hereby given that the Sixteenth Annual General Meeting of Chaucer Holdings PLC will be held at Plantation Place, 30 Fenchurch Street, London EC3M 3AD, at 12 noon on 21 May 2009 for the following purposes:

**As ordinary business:**

1. To receive the Directors' Report and Financial Statements for the year ended 31 December 2008, together with the Auditors' Report thereon.

*The Directors must present to the shareholders the Reports of the Directors and Auditors and the Accounts of the Company for the year ended 31 December 2008 (the 'Company's 2008 Annual Report and Accounts').*

2. To approve the Company's Remuneration Report for the year ended 31 December 2008 contained in pages 65 to 74 of the the Company's 2008 Annual Report and Accounts.

*Pursuant to section 241A of the Companies Act 1985 (the 'Act'), the shareholders are to be asked to approve the contents of the Directors' Remuneration Report contained in the Company's 2008 Annual Report and Accounts.*

3. To re-elect Ewen Hamilton Gilmour as a director in accordance with Article 123 of the Company's Articles of Association
4. To re-elect Mark Carmichael Graham as a director in accordance with Article 123 of the Company's Articles of Association
5. To re-elect Richard Thomas Scholes as a director in accordance with Article 123 of the Company's Articles of Association

*All of the re-elections are also in accordance with clause A.7.1 of the Combined Code, which requires directors to be re-elected after 3 years. All of the re-elections are supported by the Board. Brief biographies of those directors to be re-elected are set out on pages 52 and 53 of the Company's 2008 Annual Report and Accounts.*

6. To re-appoint Ernst & Young LLP as auditors to the Company to hold office from the conclusion of the meeting to the conclusion of the next meeting at which accounts are laid before the Company and to authorise the Directors to determine their remuneration.

*The Auditors of the Company must be re-appointed at each meeting at which accounts are presented. Resolution 6 proposes the reappointment of the Company's existing auditors, Ernst & Young LLP. This resolution gives the Directors authority to agree the remuneration to be paid to the Auditors for the current year.*

**As special business:**

To consider and, if thought fit, pass the following resolutions of which resolution 7 will be proposed as an ordinary resolution and resolutions 8, 9, 10, 11, 12 and 13 will be proposed as special resolutions:

7. That the Directors;
  - (a) be generally and unconditionally authorised pursuant to section 80 of the Act to allot any relevant securities (as defined in section 80 of the Act) of the Company up to a maximum aggregate nominal amount of £45,674,304; and further
  - (b) in addition to the authority conferred by sub-paragraph (a) above, the Directors be and they are hereby generally and unconditionally authorised to exercise all the powers of the Company to allot equity securities (within the meaning of section 94 of the Act) in connection with a rights issue in favour of holders of ordinary shares where the equity securities respectively attributable to the interest of all such holders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them (but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements or any legal or practical problems under the laws of, or the requirements of any regulatory body or any stock exchange in, any territory or by virtue of shares being represented by depository receipts or otherwise howsoever) up to an aggregate nominal amount of £45,674,304,

provided that the authority conferred by sub-paragraphs (a) and (b) above shall expire at the conclusion of the next Annual General Meeting of the Company or, if earlier the date six months after 31 December 2009 (unless previously revoked, varied or renewed by the Company in general meeting) save that the Company shall be entitled to make, prior to the expiry of such authority, any offer or agreement which would or might require relevant securities to be allotted after the expiry of such authority and the Directors may allot any relevant securities pursuant to such offer or agreement as if such authority had not expired.

*Resolution 7 will be proposed as an ordinary resolution. The authority given to the Directors to allot further shares in the capital of the Company requires the prior authorisation of the shareholders in general meeting under section 80 of the Act. Upon the passing of Resolution 7(a), the Directors will have authority to allot shares up to a maximum of £45,674,304 which is approximately 33 per cent. of the current issued ordinary share capital as at 17 April 2009, being the latest practicable date before the publication of this Notice. This authority will expire immediately following the Annual General Meeting in 2010 or six months after 31 December 2009, whichever is the earlier.*

*In addition, in accordance with the recently updated guidance from the Association of British Insurers ('ABI') on the expectations of institutional investors in relation to the authority of directors to allot shares, upon the passing of Resolution 7(b), the Directors will have authority to allot an additional number of ordinary shares up to a maximum of £45,674,304, which is approximately a further 33 per cent. of the current issued ordinary share capital as at 17 April 2009, being the latest practical date before the publication of this Notice. However, the Directors will only be able to allot those shares for the purposes of a rights issue in which the new shares are offered to existing shareholders in proportion to their existing shareholdings. This authority will also expire immediately following the Annual General Meeting in 2010 or six months after 31 December 2009, whichever is the earlier.*

*As a result, if Resolution 7 is passed, the Directors could allot shares representing up to two-thirds of the current issued share capital pursuant to a rights issue. However, if the Directors do conduct a rights issue and the number of shares issued exceeds one-third of the issued share capital and the monetary proceeds from the rights issue exceed one-third of the Company's pre-issue market capitalisation, then, in accordance with the ABI's guidance, the Directors will all offer themselves for re-election at the Annual General Meeting following the decision to make the rights issue.*

*This authority is required in order to provide the Directors with the flexibility to allot shares up to the above amount to enable the Board to take advantage of appropriate opportunities. Other than shares to be issued on exercise of rights under the terms of the Company's employee shares schemes, the Directors have no present intention of exercising this authority*

8. That, subject to and conditional upon the passing of resolution 7(a) above, the Directors be granted power pursuant to section 95 of the Act to allot equity securities (as defined in section 94(2) of the Act) for cash as if section 89(1) of the Act did not apply to any such allotment, provided that:
- a) the power hereby conferred is limited to:
    - i) the allotment of equity securities in connection with any invitation made to holders of ordinary shares and holders of other securities to the extent expressly required or (if considered appropriate by the directors) permitted by the rights attached thereto from time to time to subscribe by way of rights, open offer or otherwise where the equity securities respectively attributable to the interest of all the holders of such ordinary shares and (if applicable) other securities are respectively proportionate (as nearly as may be) to the respective number of ordinary shares and (if applicable) other securities held or deemed held by them subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of, or the requirements of, any regulatory body or any stock exchange or otherwise in any territory; and
    - ii) the allotment for cash (otherwise than pursuant to paragraph 8(a)(i) above) of equity securities up to an aggregate nominal value of £6,851,146;
  - b) the power hereby conferred will expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, the date six months after 31 December 2009 (unless previously revoked, varied or renewed by the Company in general meeting) provided that the Company may, before such expiry, make any offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities pursuant to any such offer or agreement as if the power hereby conferred had not expired; and
  - c) all powers previously granted under section 95 of the Act be revoked, but without prejudice to the allotment of equity securities already made or to be made pursuant to such authorities.

*Resolution 8 will be proposed as a special resolution. Section 89 of the Act requires that before Directors of a company can issue any new shares for cash, the new shares must first be offered to existing shareholders pro rata to their existing shareholdings. There may, however, be occasions when in order to act in the best interests of the Company the Directors will need the flexibility to finance business opportunities as they arise by the issue of small quantities of shares for cash in circumstances such as the acquisition of a new company or business by the group. The Section 89 provision can also create considerable administrative difficulties where a rights issue is made because of the entitlement to fractions of shares which may arise and because of the restrictions imposed on some foreign shareholders by their own laws. This resolution seeks, by applying one of the exemptions in the Act, to avoid these difficulties and to give directors the authority to allot small quantities of unissued ordinary shares, or sell ordinary shares held in treasury, for cash. £6,851,146 in nominal value of shares represents five per cent. of the issued ordinary share capital of the Company as at 17 April 2009, the last practicable date prior to the publication of this Notice. If the Directors wish to allot in total more shares for cash other than on a rights issue they will require shareholders' consent. The authority given by this resolution will last until the conclusion of next year's Annual General Meeting or, if earlier, the date six months after 31 December 2009.*

9. That the Directors be generally and unconditionally authorised to make market purchases (as defined in section 163(3) of the Act) of ordinary shares with a nominal value of 25p each in the Company, provided that:
- a) the Company does not purchase under this authority more than 54,809,164 ordinary shares;
  - b) the Company does not pay less than 25p per share;
  - c) the Company does not pay more for each share than five per cent. over the average of the middle market price of the ordinary shares for the five business days immediately preceding the date on which the Company agrees to buy the shares concerned, based on share prices published in the Daily Official List of the London Stock Exchange;
  - d) in executing this authority, the Company may purchase shares using any currency, including pounds sterling, US dollars and euros; and

- e) the authority conferred hereby will expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, the date six months after 31 December 2009 (unless previously revoked, varied or renewed by the Company in general meeting) provided that, if the Company has agreed before this date to purchase ordinary shares where these purchases will or may be executed after the authority terminates (either wholly or in part) the Company may complete such purchases.

*Resolution 9 will be proposed as a special resolution. In certain circumstances, it may be advantageous for the Company to purchase its own shares and this resolution seeks authority from shareholders to do so. The Directors intend to exercise the authority only when they believe that the effect of such purchases will be to increase earnings per share and be in the best interests of shareholders generally. Other investment opportunities, appropriate gearing levels and the overall position of the Company will be taken into account before a decision is made to exercise this authority. If any shares purchased pursuant to this authority are not held by the Company as treasury shares, then such shares would be immediately cancelled resulting in the number of shares in issue being reduced.*

*The Company may hold in treasury any of its own shares that it purchases pursuant to the Treasury Share Regulations 2003 and the authority conferred by this resolution. This would enable the Company to re-issue treasury shares quickly and cost effectively and would provide the Company with greater flexibility in the management of its capital base.*

*The resolution specifies the number of ordinary shares that may be acquired (representing ten per cent. of the Company's ordinary issued share capital as at 17 April 2009, the last practicable date prior to publication of this Notice) and the price range within which they may be bought. If given, this authority will expire on the earlier of the conclusion of the next Annual General Meeting of the Company or six months after 31 December 2009.*

10. That, subject to the relevant provisions of Companies Act 2006 coming into effect on 1 October 2009, with effect from 00.01am on 1 October 2009:

- (i) the Articles of Association of the Company be amended by deleting all the provisions of the Company's Memorandum of Association which, by virtue of section 28 CA 2006 (the 'CA 2006'), are to be treated as provisions of the Company's Articles of Association; and

- (ii) the Company's Articles of Association be amended as set out below

- (a) Article 2 be amended to read as follows:

Table "A" not to apply

"No regulations set out in any statute or in any statutory instrument or other subordinate legislation concerning companies (including the regulations in Table A of The Companies (Tables A to F) Regulations 1985 as amended and any model articles prescribed under the 2006 Act) shall apply as the regulations or articles of the Company, but the following shall be the Articles of Association of the Company."

- (b) Article 3 be deleted and replaced with the following new Article 3:

Liability of members

"The liability of the members is limited to the amount, if any, unpaid on their shares."

*Resolution 10 will be proposed as a special resolution. This resolution, if passed, would have the effect of amending the Company's Articles of Association to reflect the provisions of the CA 2006. Under the provisions of CA 2006, with effect from 1 October 2009 the provisions of the Company's Memorandum of Association (including the objects clause) will be deemed to be contained in the Company's Articles of Association. Further, the CA 2006 provides that, unless a company's Articles of Association state otherwise, a company's objects are unrestricted. This abolishes the need for the Company to retain an objects clause. For this reason, the Company is proposing to remove its objects clause together with all other provisions of its Memorandum of Association which, by virtue of the Companies Act 2006, are to be treated as forming part of the Company's Articles of Association as of 1 October 2009. One consequence of this will be the removal of a statement currently contained in the Company's Memorandum of Association regarding limited liability of the Company's shareholders. This resolution, if passed, would have the effect of maintaining the existing position by incorporating a statement into the Company's Articles of Association which expressly states that the liability of the shareholders is limited to any amount which is unpaid on their shares.*

*The CA 2006 abolishes the requirement for a company to have an authorised share capital and the amended 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 CA 2006, save in respect of employee share schemes. The amended Articles of Association showing all the changes to the current Articles are available for inspection at the Company's office and will be available at the Annual General Meeting from 15 minutes before the meeting until the conclusion of the meeting.*

*The remaining provisions of the CA 2006 are expected to come into force in October 2009. In addition, various regulations that relate to certain of these provisions have yet to be finalised. As these further changes to the Articles of Association are expected to be reasonably substantial in number, it is anticipated that the Company's Members will be asked to approve the adoption of a new set of Articles of Association at its Annual General Meeting in 2010.*

11. That the Company's Articles of Association be amended with immediate effect as follows:

(i) Article 179.4 be deleted in its entirety;

(ii) the words "or is associated with, a Lloyd's broker (within the meaning of section 11 and 12 of Lloyd's Act 1982)" in Article 181 be deleted;

(iii) the words "or is associated with a Lloyd's broker within the meaning of section 11 and 12 of Lloyd's Act 1982" on the second and sixth lines of Article 183 be deleted; and

(iv) Article 189 be deleted in its entirety, and the existing Articles be renumbered and cross-references amended accordingly.

*Resolution 11 will be proposed as a special resolution. This resolution, if passed, would have the effect of amending the Company's Articles of Association immediately to delete references to the divestment rules and bring the "Notifiable Interest" provisions currently contained in Articles 178 - 189 (inclusive) of the Company's Articles of Association into line with the provisions of the Legislative Reform Order which came into effect in January 2009 amending the Lloyd's Act 1982. The divestment rules have traditionally prohibited associations between Lloyd's brokers and Lloyd's managing agents with the intention of avoiding conflicts of interest. Firms are now expected to manage their conflicts of interest in accordance with the FSA's Principles for Business.*

12. That a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

*Resolution 12 will be proposed as a special resolution. This Resolution is required to reflect the proposed implementation in August 2009 of the Shareholder Rights Directive (the 'Directive'). The regulation implementing the Directive will increase the notice period for general meetings of the Company to 21 days. The Company is currently able to call general meetings (other than an AGM) on 14 clear days' notice and would like to preserve this ability. In order to be able to do so after 3 August 2009, shareholders must have approved the calling of meetings on 14 days' notice. Resolution 12 seeks such approval. The approval will be effective until the Company's next annual general meeting, when it is intended that a similar resolution will be proposed. The Company will also need to meet the requirements for electronic voting under the Directive (currently under consultation by the BERR) before it can call a general meeting on 14 days' notice.*

13. That the 2009 Chaucer Holdings PLC Approved Savings-Related Share Option Scheme (the 2009 SAYE Scheme) (the principal terms of which are summarised in the appendix to this Notice) be approved and adopted and the Directors be authorised to do all such other acts and things (including making amendments to the draft rules of the 2009 SAYE Scheme) as they may consider necessary or expedient or which H.M. Revenue & Customs may require to carry the 2009 SAYE Scheme into effect.

*A copy of the draft rules of the 2009 SAYE Scheme, initialled by the Secretary for the purposes of identification, will be available for inspection at the registered office of the Company at Plantation Place, 30 Fenchurch Street, London EC3M 3AD, during usual business hours on any weekday (Saturdays, Sundays and Bank Holidays excluded) until the date of the meeting and also on the date and at the place of the meeting from 15 minutes prior to the meeting until the conclusion of the meeting.*

*Rule 2.1(ii) of the existing Chaucer Holdings PLC Savings-Related Share Option Scheme provides that no invitations may be issued thereunder after 22 July 2009. Therefore, it will be proposed that the 2009 SAYE Scheme is adopted so that the Company may continue to operate an approved savings-related share option scheme for at least 10 years from the date of adoption of the 2009 SAYE Scheme. The rules of the proposed scheme are substantively the same as the expiring scheme.*

Plantation Place  
30 Fenchurch Street  
London  
EC3M 3AD

27 April 2009

By order of the Board



David Turner  
Company Secretary

1. Only the holders of ordinary shares are entitled to attend the meeting and vote. A member entitled to attend, speak and vote may appoint a proxy or proxies to exercise all or any of his rights to attend, speak and vote on his or her behalf. A proxy need not be a member of the Company. If a member appoints more than one proxy to attend the meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by the member. If a member wishes to appoint more than one proxy and so requires additional proxy forms, the member should contact Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6ZR.
2. A form of proxy is enclosed. To be effective, this must be completed, signed and (together with the original or a notarially certified copy of any power of attorney or other authority under which it is executed) lodged with Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6ZR not later than 48 hours before the time of the meeting. Deposit of a completed form of proxy will not preclude a member from attending the meeting and voting in person.
3. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place so that (i) if a corporate shareholder has appointed the chairman of the meeting as its corporate representative to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in accordance with those directions, and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the chairman of the meeting as its corporate representative a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the draft guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives ([www.icsa.org.uk](http://www.icsa.org.uk)) for further details of this procedure. The draft guidance includes a sample form of appointment letter if the chairman is being appointed as described in (i) above.
4. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that to be entitled to attend and vote at the Annual General Meeting (and for the purposes of the determination by the Company of the number of votes they may cast), members must be entered on the Company's register of members by 6.00 p.m. on 19 May 2009 (or if the meeting is adjourned, at 6pm on the day two days prior to the adjourned meeting). Changes to entries on the register of members after that time and date shall be disregarded in determining the rights of any person to attend and vote at the Annual General Meeting.
5. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting to be held on 21 May 2009 and any adjournment(s) thereof 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 voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

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 instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or to 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 the issuer's agent (ID 7RA01) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. 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 (if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his 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 service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

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.

6. Members should note that it is possible that, pursuant to requests made by members of the Company under section 527 of the Companies Act 2006, the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.
7. If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes the subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Services Authority. As a result, any member holding three per cent or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure and Transparency Rules, need not make a separate notification to the Company and the Financial Services Authority.
8. As at 17 April 2009, the last practicable date prior to the printing of this Notice, the Company's issued capital consisted of 548,091,645 Ordinary Shares carrying one vote each. Therefore, the total voting rights in the Company as at 17 April 2009 are 548,091,645.
9. Copies of the service agreements and letters of appointment between the Company and its Directors will be available for inspection at the registered office of the Company at Plantation Place, 30 Fenchurch Street, London EC3M 3AD during usual business hours on any weekday (Saturdays, Sundays and Bank Holidays excluded) until the date of the meeting and also on the date and at the place of the meeting from 15 minutes prior to the meeting until the conclusion of the meeting.

## Summary of the principal features of the 2009 Chaucer Holdings PLC Approved Savings-Related Share Option Scheme

### Introduction

The 2009 Chaucer Holdings PLC Approved Savings-Related Share Option Scheme (the '2009 SAYE Scheme') will be submitted to H.M. Revenue & Customs ('HMRC') for their approval pursuant to Schedule 3 of the Income Tax (Earnings and Pensions) Act 2003.

### Eligibility

Participation in the 2009 SAYE Scheme will be offered on similar terms to all UK resident employees of the Group who have been employed for such period (not exceeding five years) as may be specified by the Board when making invitations. Participation may also be offered to other employees and Directors of participating companies at the discretion of the Board.

### Savings contract

All options must be linked to a savings contract entered into by each participant with a building society or bank. Participants may save for three or five years and contribute between £5 and £250 per month (subject to scaling down if aggregate applications exceed the number of Ordinary Shares to be made available). The number of Ordinary Shares over which a participant is granted an option will be the number which can be acquired at the exercise price with the accumulated savings plus the terminal bonus.

### Exercise price

The exercise price cannot be less than the higher of the nominal value of an Ordinary Share and 80 per cent. of the market value of an Ordinary Share on the day on which invitations are issued (where 'market value' shall be the lower of (i) the mid-market closing price on the dealing day preceding the date that invitations are issued and (ii) the average of the mid-market closing price on the three dealing days preceding the date that invitations are issued, in either case, as derived from the London Stock Exchange Daily Official List).

### Exercise of options

Options may normally be exercised during the six-month period following the bonus date (being the third, fifth or seventh anniversary of the commencement of the related savings contract). Options will also become exercisable for a limited period on the death of a participant or on his ceasing to be an eligible employee by reason of injury, disability, redundancy, retirement or on the sale of the subsidiary or business by which he is employed. An option will also become exercisable on agreed early retirement, provided the option has been held for at least three years.

### Takeover, reconstruction or winding-up

Special provisions allow early exercise in the event of a change in control, reconstruction or winding-up of the Company. Alternatively, options may, by agreement with the acquiring company, be rolled over into equivalent options over ordinary shares in the acquiring company.

### Overall limit

Not more than 10 per cent. of the Company's issued Ordinary Share capital may be placed under option under the 2009 SAYE Scheme and any other share option plan and under awards under other share incentive plans (excluding share options plans) in any ten year period.

For the purposes of the above limit, Ordinary Shares held in treasury used or to be used to settle options are to be included in the 10 per cent. but options which have lapsed or are over Ordinary Shares which are already in issue or are sourced through market purchases are to be disregarded.

### Voting, dividend and other rights

Participants will have no voting or dividend rights in respect of the Ordinary Shares under option until the options are exercised.

In the event of a reorganisation of the Company's Ordinary Share capital, the number of Ordinary Shares comprised in an option and the exercise price of an option may, subject to the prior approval of HMRC, be varied in such manner as the Board thinks fit.

Ordinary Shares allotted under the 2009 SAYE Scheme will rank *pari passu* with the existing Ordinary Shares with the exception of rights attaching by reference to a record date prior to the allotment date. Application will be made to the UK Listing Authority for all such Ordinary Shares to be admitted to listing.

Options are non-transferable and non-pensionable.

### Amendments

The 2009 SAYE Scheme may be amended by the Board.

No amendment may be made to the rules of the 2009 SAYE Scheme if it would adversely affect the rights of participants unless the consent of such participants has been sought and a majority of the participants who indicate whether or not they approve the proposed amendment do indicate that they approve the amendment.

The prior approval of the Company in general meeting will be required for amendments to the advantage of participants or potential participants to the key provisions of the 2009 SAYE Scheme.

Minor amendments to benefit the administration of the 2009 SAYE Scheme, to take account of legislation or to obtain or maintain favourable tax, exchange control, or regulatory treatment may, however, be made without the approvals set out above where such amendments do not alter the basic principles of the 2009 SAYE Scheme.

No amendment to the 2009 SAYE Scheme shall take effect without the prior approval of HMRC where it is required.