



London
Stock Exchange

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**For the attention of the
chairman/senior partner/compliance officer,
all member firms**

N46/09

STOCK EXCHANGE NOTICE

Guidance – Friends Provident Group Plc (GB00B3T69350) Scheme of arrangement

Introduction

1. This Notice should be read in conjunction with Stock Situation Notice 0961 (“SSN 0961”) and Euroclear UK & Ireland (“EUI”) Corporate Actions Bulletin 717 regarding the current scheme of arrangement (“the scheme”) in Friends Provident Group Plc. Firms are also advised to refer to any subsequent Stock Situation Notices and EUI Corporate Actions Bulletin issued relating to this scheme.

Terms of the scheme

2. As detailed in SSN 0961 the default terms of the scheme provide for a combination of cash and stock results, with cash consideration up to the first 2,500 ordinary shares in Friends Provident Group held, and for every other Friends Provident share held 0.9 new ordinary shares in Resolution Ltd. Additional cash and stock elections are also possible.

Processing of unsettled transactions

3. As a result of the terms of the scheme, it will not be possible for EUI to validate the split between the maximum cash amount and stock benefit on unsettled transactions for the scheme default. Therefore, EUI’s default option for transformation of unsettled transactions after the scheme record date will be the all share alternative of 0.9 new ordinary shares in Resolution Ltd for each Friends Provident share. ACON instructions will be accepted by EUI in respect of all options but EUI will not transform assented basic offer consideration or assented additional cash transactions into the final results, as the terms of the scheme does not allow this.

4. In light of the above issues in processing the terms of this event, member firms are encouraged to ensure, wherever possible, that settlement takes place prior to the election date, 30 October 2009. If at the time of dealing, a buyer wishes to ensure that they receive the scheme results in a particular form, they should deal in assented form.
5. Firms should also note that it is possible for delivery and settlement of Friends Provident to take place after the election date and buying firms may, where possible, wish to take action to prevent this happening.
6. Firms operating Nominees which hold shares on behalf of more than one beneficial owner are advised to refer to the restrictions on elections detailed in the formal document, in particular paragraph 3 of Part 1 (pages 60 – 62).

Scheme results

7. For the purposes of the London Stock Exchange's Settlement, Clearing and Benefit rules, where settlement does not take place, and the buyer has not submitted a valid instruction for another option, the seller will be obliged to deliver 0.9 new ordinary shares in Resolution Ltd for each Friends Provident share.
8. In order to receive the results, member firms will need to rematch the result of any assented additional cash or basic offer consideration transactions in CREST on a transaction by transaction basis after the scheme effective date.
9. Any comments or queries on this Notice should be addressed to Dagmar Banton, UK Regulation, telephone +44 (0)20 7797 1210 (STX 31210) or email dbanton@londonstockexchange.com

Nick Bayley
Head of UK Regulation

This Stock Exchange Notice will be available on the website at
<http://www.londonstockexchange.com/en-gb/products/membershiptrading/rulesreg/stockexnoticesnew/>

Calls to London Stock Exchange plc may be recorded to enable the Exchange to carry out its regulatory responsibilities.