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COMPANIES FORM No. 173

# 173

## Declaration in relation to the redemption or purchase of shares out of capital

CHWP000

Please do not write in this margin

Pursuant to section 173 of the Companies Act 1985

Please complete legibly, preferably in black type, or bold block lettering

To the Registrar of Companies  
(Address overleaf - Note 4)

For official use

Company number

[ ] [ ] [ ]

115938

Name of company

\* insert full name of company

\* Welsh Insurance Corporation Limited

Note Please read the notes on page 2 before completing this form.

† We of Stuart Alan Roper Mead of 15 The Glade, Corbets Tey, Upminster, Essex RM14 3YX

David Rowley Rose of 7 Rainsborough Rise, Thorpe St Andrew, Norwich, Norfolk NR7 OTR

∅ insert name(s) and address(es) of all the directors

[ ]  
[ ]  
[ ]  
[ ]  
[ ]  
[ ]  
[ ]

† delete as appropriate

[the sole director] [all the directors] † of the above company do solemnly and sincerely declare that:

The business of the company is:

§ delete whichever is inappropriate

(a) ~~that of a [recognised bank] [licensed institution] † within the meaning of the Banking Act 1979§~~

(b) ~~that of a person authorised under section 3 or 4 of the Insurance Companies Act 1982 to carry on insurance business in the United Kingdom§~~

(c) that of something other than the above§

The company is proposing to make a payment out of capital for the redemption or purchase of its own shares

The amount of the permissible capital payment for the shares in question is £ 263,290,000

(note 1)

Continued overleaf

Presenter's name address and reference (if any) :

Georgina Sisam  
Aviva plc  
1 Undershaft  
St Helen's  
London EC3P3DQ

For official Use (02/06)  
General Section

Post room



A31  
COMPANIES HOUSE

55  
12/05/2006

→ We have made full enquiry into the affairs and prospects of the company, and → we have formed the opinion:

Please do not write in this margin

- (a) as regards its initial situation immediately following the date on which the payment out of capital is proposed to be made, that there will be no grounds on which the company could then be found unable to pay its debts (note 2), and
- (b) as regards its prospects for the year immediately following that date, that, having regard to my/our intentions with respect to the management of the company's business during that year and to the amount and character of the financial resources which will in my/our view be available during that year, the company will be able to continue to carry on business as a going concern (and will accordingly be able to pay its debts as they fall due) throughout that year. (note 2)

Please complete legibly, preferably in black type, or bold block lettering

And → we make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

Declared at ST HELENS, LINDERSHAFT  
LONDON EC3P 3DQ

Declarant(s) to sign below

*S. New*

on 

Day	Month	Year
08	05	2006

*[Signature]*

before me *[Signature]*  
~~A Commissioner for Oaths, or Notary Public, or Justice of the Peace, or Solicitor having the powers conferred on a Commissioner for Oaths.~~ *W.C.*

**Notes**

- 1 'Permissible capital payment' means an amount which, taken together with
  - (i) any available profits of the company; and
  - (ii) the proceeds of any fresh issue of shares made for the purposes of the redemption or purchase; is equal to the price of redemption or purchase.
 'Available profits' means the company's profits which are available for distribution (within the meaning of section 172 and 263 of the Companies Act 1985).  
The question whether the company has any profits so available and the amount of any such profits is to be determined in accordance with section 172 of the Companies Act 1985.
- 2 Contingent and prospective liabilities of the company must be taken into account, see sections 173(4) & 517 of the Companies Act 1985.
- 3 A copy of this declaration together with a copy of the auditors report required by section 173 of the Companies Act 1985, must be delivered to the Registrar of Companies not later than the day on which the company publishes the notice required by section 175(1) of the Companies Act 1985, or first publishes or gives the notice required by section 175(2), whichever is the earlier.
- 4 The address for companies registered in England and Wales or Wales is:-  
The Registrar of Companies  
Companies House  
Crown Way  
Cardiff  
CF14 3UZ  
DX 33050 Cardiff  
or, for companies registered in Scotland:-

The Registrar of Companies  
Companies House  
37 Castle Terrace  
Edinburgh  
EH1 2EB

**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF THE WELSH INSURANCE CORPORATION LIMITED PURSUANT TO SECTION 173(5) OF THE COMPANIES ACT 1985**

We have examined the attached statutory declaration of the directors dated 8 May 2006 prepared under applicable United Kingdom law in connection with the company's proposed purchase of 242,537,346 ordinary shares by a payment out of capital and reserves.

This report is made solely to the directors in accordance with Section 173(5) of the Companies Act 1985. Our work has been undertaken so that we might state to the directors those matters we are required to state to them in an auditor's report under Section 173(5) and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the directors for our audit work, for this report, or for the opinions we have formed.

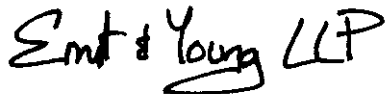
**Basis of opinion**

We have enquired into the state of affairs of the company in order to review the bases for the statutory declaration.

**Opinion**

In our opinion the amount of £263,290,000 specified in the statutory declaration by the directors as the permissible capital payment for the shares to be purchased is properly determined in accordance with sections 171 and 172 of the Companies Act 1985.

We are not aware of anything to indicate that the opinion expressed by the directors in their declaration as to any of the matters mentioned in section 173(3) of the Companies Act 1985 is unreasonable in all the circumstances.



Ernst & Young LLP

Registered Auditor

London

8 May 2006