

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant, or other professional adviser.

If you have sold or otherwise transferred all of your shares (or interest therein) in Phoenix Group Holdings (the **Company**), please pass this document together with the accompanying documents to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares or interest therein. However, the distribution of such documents into certain jurisdictions may be restricted by law and therefore persons into whose possession such documents come should inform themselves about and observe such restrictions. In particular, such documents should not be sent to any jurisdiction where to do so might constitute a violation of local securities laws or regulations, including but not limited to the United States.

Notice of the meeting of the holders of Class B ordinary shares of the Company (**Class B Ordinary Shares**) to be held at 11.45 a.m. (British Summer Time) on 23 June 2010 in the Company's Offices at 1st Floor, 32 Commercial Street, St Helier, Jersey JE2 3RU (the **Class B Ordinary Shares Meeting**) is attached at the end of this circular. The Directors of the Company have fixed 6 p.m. (British Summer Time) on 3 June 2010 as the record date for the meeting (the **Record Date**). Only members on the register of members as holders of Class B Ordinary Shares at the Record Date may attend and vote at the **Class B Ordinary Shares Meeting**.

Phoenix Group Holdings

(a company incorporated under the laws of the Cayman Islands with registered number 202172
as an exempted company with limited liability)

NOTICE OF MEETING OF CLASS B ORDINARY SHAREHOLDERS

Your vote on the resolution to be proposed at the Class B Ordinary Shares Meeting is important. Details on how to vote are provided on page 5 and in the attached proxy form.

Requests for assistance in filling out and delivering the proxy form may be directed to your bank or broker or to The Royal Bank of Scotland N.V. (**RBS**), Equity Capital Markets / Corporate Actions HQ 3130, Gustav Mahlerlaan 10, 1082PP, Amsterdam, The Netherlands (telephone number: + 31 20 464 3707, fax number: + 31 20 464 1707, email: corporate.actions@rbs.com). If you have not received a proxy form you may also request this from RBS.

A copy of this circular is available on the Company's website www.thephoenixgroup.com.

This circular contains forward-looking statements concerning future events. Those forward-looking statements are based on the current information and assumptions of the Company's management concerning known and unknown risks and uncertainties. Forward-looking statements do not relate to definite facts and are subject to risks and uncertainty. The actual results and financial condition of the Company may differ considerably as a result of risks and uncertainties relating to events and circumstances beyond the Company's control, including, without limitation, materially adverse changes in economic or industry conditions generally or in the markets served by the Company; strength of the markets in which assets are invested; change in costs; and other factors discussed in the prospectus published by the Company on 4 June 2010 relating to the Company and its subsidiaries and any supplementary prospectus thereto (the **Prospectus**) in connection with the application to the UK Listing Authority to transfer the Ordinary Shares to a Premium Listing under Chapter 6 of the Listing Rules (the **Premium Listing**) and to admit the Ordinary Warrants at Part II: "Risk Factors" and Part VIII: "Operating and Financial Review". The Company cautions that expectations are only valid on the specified dates, and accepts no responsibility for the revision or updating of any information contained in this circular.

The Prospectus, from which certain information has been incorporated by reference into this document, can be obtained from the Company's website, www.thephoenixgroup.com provided that subject to certain exceptions the Prospectus will not be mailed or otherwise distributed in or into the United States, Australia, Canada, Japan or South Africa.

This circular (and the information contained herein) does not contain or constitute an offer of securities for sale, or solicitation of an offer to purchase securities, in the United Kingdom, United States, Australia, Canada, Japan, South Africa or any other jurisdiction in which such offer or solicitation is unlawful. The Company's securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**), or under the securities legislation of any state of the United States, and the Company's securities will not qualify for distribution under any of the relevant securities laws of Australia, Canada, Japan or South Africa. The Company has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended (the **Investment Company Act**), in reliance on section 3(c)(7) thereof, and investors will not be entitled to the benefits of the Investment Company Act. The Company's securities may not be offered or sold in the United States or to U.S. persons absent registration under the Securities Act or except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and may not be held by persons whose holding of securities might require registration of the Company as an investment company under the Investment Company Act. Subject to certain exceptions, the Company's securities may not, directly or indirectly, be offered or sold within Australia, Canada, Japan or South Africa or to or for the account or benefit of any national resident and citizen of Australia, Canada, Japan or South Africa. Any failure to comply with these restrictions may constitute a violation of U.S., Australian, Canadian, Japanese or South African securities laws. No public offer of the Company's securities is being or will be made in the United Kingdom, United States, Australia, Canada, Japan, South Africa or elsewhere.

This circular is not for distribution, directly or indirectly, in or into the United States, the Cayman Islands, Australia, Canada, Japan or South Africa.

CHAIRMAN'S LETTER

Phoenix Group Holdings

(a company incorporated under the laws of the Cayman Islands with registered number 202172 as an exempted company with limited liability)

Registered Office:

c/o Maples Corporate Services Limited
PO Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands
4 June 2010

To the holders of Class B Ordinary Shares

Notice of Meeting of Class B Ordinary Shareholders

Dear Shareholder,

I am pleased to be writing to you with details of the meeting of the holders of Class B ordinary shares of the Company (**Class B Ordinary Shares**) which we are holding on 23 June 2010 at 11.45 a.m. (British Summer Time) in the Company's Offices at 1st Floor, 32 Commercial Street, St Helier, Jersey JE2 3RU (the **Class B Ordinary Shares Meeting**). The formal notice of the Class B Ordinary Shares Meeting is set out on page 4 of this document and contains a single item of proposed business being the adoption of new Memorandum and Articles of Association of the Company.

You have also been sent a Circular with details of the Company's Annual General Meeting (the **AGM**) to be held in the same venue following the Class B Ordinary Shares Meeting.

Included with the normal business to be considered at the Company's AGM are certain resolutions to approve steps towards the Company achieving a Premium Listing on the London Stock Exchange. As part of the process for moving from a Standard Listing to a Premium Listing, the Board intends to seek shareholders' approval for further simplifying the Company's capital structure by adopting a new Memorandum and Articles of Association of the Company (the **New Articles**) to permit the Company, in accordance with Cayman Islands law, to vary the rights of and re-designate all the Class B Ordinary Shares currently in issue into Ordinary Shares.

Approval of the New Articles

Descriptions of the provisions of the current Articles of Association and of the New Articles are set out in the Prospectus at Part XI: "Additional Information – Memorandum and Articles of Association".

The non-conflicted Directors (being those Directors other than Jonathan Moss, Simon Smith, Hugh Osmond and Manjit Dale) (the **Non-Conflicted Directors**) have determined that it is in the best interests of the Company to vary the rights of and re-designate all Class B Ordinary Shares into Ordinary Shares in order to simplify the share capital of the Company so far as possible.

As described in the AGM Circular, certain of the holders of contingent rights, who are also holders of the Class B Ordinary Shares, have required that, as part of the proposed new arrangements with the holders of the contingent rights (as detailed in the Prospectus at Part XI: "Additional Information – Material Contracts – Amended Contingent Rights Agreements"), the ability of the parties to make claims under the sale and purchase agreements (other than in respect of claims for breach of non-competition and non-solicitation provisions) should cease and the restrictions on transfer of shares should terminate.

The Board proposes that the New Articles should provide that (i) the Class B Ordinary Shares are capable of being converted into Ordinary Shares at the option of the Company by means of a variation of rights and re-designation, (ii) the restrictions on transfer of certain Class B Ordinary Shares be lifted, and (iii) the ability of the Company pursuant to the current Articles of Association to redeem certain Class B Ordinary Shares to settle claims under the sale and purchase agreements be removed.

The Company is making arrangements for Computershare Investor Services (Cayman) Limited to replace RBS as the Company's share registrar. Following conversion of the Class B Ordinary Shares into Ordinary Shares by means of a variation of rights and re-designation, Computershare Investor Services (Cayman) Limited will issue each former holder of Class B Ordinary Shares with a share certificate representing newly created Ordinary Shares pursuant to the New Articles. However, if a holder of Class B Ordinary Shares wishes instead to receive Depositary Interests in CREST representing its new Ordinary Shares such holder must, prior to the date of the AGM, contact the Company (by emailing corporate.actions@rbs.com) and provide: (i) its CREST Participant Identification, (ii) its CREST Member Identification (if applicable) and (iii) the number of its new Ordinary Shares which it wishes to receive in the form of Depositary Interests in CREST. The provision of such information shall be deemed to be a request that legal title to such new Ordinary Shares be transferred to the custodian nominated by Computershare Investor Services plc.

The share certificates representing Class B Ordinary Shares currently held by holders of the Class B Ordinary Shares will be invalid following the conversion of the Class B Ordinary Shares into Ordinary Shares by way of a variation of rights and re-designation.

Current holders of Ordinary Shares hold their interests through Euroclear and, if their Ordinary Shares are subject to the Standard Listing on the London Stock Exchange, in the form of CREST Depositary Interests. Following the Premium Listing, the settlement of the interests of current holders of Ordinary Shares will be pursuant to a Depositary Interest structure, as detailed in the Prospectus.

As the New Articles, if adopted at the AGM, will amend the rights of the Class B Ordinary Shares, it is necessary under the Company's existing Articles of Association to convene this Class B Ordinary Shares Meeting to consider approving a resolution for the adoption of the New Articles. Subject to the adoption of the New Articles at the AGM, this circular will constitute written notice, pursuant to article 25 of the New Articles, to the holders of the Class B Ordinary Shares that the Company shall exercise its option to convert the Class B Ordinary Shares into Ordinary Shares, such conversion to take effect on or around 2 July 2010.

Recommendation of the Board

The Non-Conflicted Directors consider that the resolution to be put to the Class B Ordinary Shares Meeting will serve to promote the success of the Company and is in the best interests of the Company, the holders of Class B Ordinary Shares and the shareholders as a whole.

The Non-Conflicted Directors unanimously recommend that the holders of Class B Ordinary Shares vote in favour of the resolution to be put to the Class B Ordinary Shares Meeting as they intend to do or procure is done, in respect of their own beneficial shareholdings amounting to approximately 351,348 Class B Ordinary Shares, representing approximately 0.67 per cent. of the Class B Ordinary Shares. Jonathan Moss, Simon Smith, Hugh Osmond and Manjit Dale shall procure that the Class B Ordinary Shares in which they are interested shall not be voted in relation to the resolution.

Action to be taken

A proxy form is enclosed for completion, as appropriate, along with a pre-addressed envelope. Alternatively, instead of mailing your voting instructions, you can vote online using the RBS e-voting service (www.rbs.com/evoting). **Please refer to the notes on page 5 of this document for further information on how to vote.**

Yours faithfully,

Ron Sandler
Chairman

PHOENIX GROUP HOLDINGS

NOTICE OF CLASS B ORDINARY SHARES MEETING

NOTICE IS HEREBY GIVEN that the meeting of the holders of Class B Ordinary Shares of Phoenix Group Holdings (the **Company**) will be held in the Company's Offices at 1st Floor, 32 Commercial Street, St Helier, Jersey JE2 3RU on 23 June 2010 at 11.45 a.m. (British Summer Time). You will be asked to consider and, if thought fit, pass the resolution below.

1. **THAT** the memorandum and articles of association produced to the Class B Ordinary Shares Meeting and initialled by the Chairman of the meeting for the purpose of identification (the **New Articles**) be adopted as the Fourth Amended and Restated Memorandum and Articles of Association of the Company in substitution for, and to the exclusion of, the existing memorandum and articles of association of the Company, subject to adoption of the New Articles being approved at the 2010 annual general meeting of the Company or at any adjournment thereof and any consequential variation or abrogation of rights attaching to the Class B Ordinary Shares be approved.

4 June 2010

By order of the Board

Gerald Watson

Company Secretary

Registered Office:

c/o Maples Corporate Services Limited

PO Box 309

Ugland House

Grand Cayman

KY1-1104

Cayman Islands

Registered in the Cayman Islands No. 202172

Notes

Entitlement to vote

1. Only members holding Class B ordinary shares in the Company (**Class B Ordinary Shares**) who were on the Company's register of members at 6 p.m. (British Summer Time) on 3 June 2010 (the **Record Date**) are entitled to attend and vote at the Class B Ordinary Shares Meeting. A member may vote in respect of the number of Class B Ordinary Shares registered in the member's name on the Record Date. Changes to the entries in the register of members after the Record Date shall be disregarded in determining the rights of any person to attend and vote at the meeting.
2. As at the Record Date the Class B Ordinary Shares were registered in the register of members in the name of certain individuals and institutions.

Voting in Person or by Proxy

3. Holders of Class B Ordinary Shares may either vote in person or appoint a proxy to exercise their voting rights at the Class B Ordinary Shares Meeting. A proxy need not be a shareholder of the Company. In order to ensure that your Class B Ordinary Shares are voted in accordance with your instructions at the Class B Ordinary Shares Meeting:
 - (i) you can vote by proxy by signing and returning the enclosed proxy form, to RBS, as soon as possible, but, in any event, so as to reach RBS by no later than 6 p.m., Central European Time on 21 June 2010, the second Business Day prior to the Class B Ordinary Shares Meeting (the **Proxy Deadline**); or
 - (ii) you can vote via www.rbs.com/evoting by no later than the Proxy Deadline. RBS will appoint the Chairman of the meeting to vote the shares in which you hold an interest as you instruct via www.rbs.com/evoting; or
 - (iii) you can attend the Class B Ordinary Shares Meeting and vote in person or appoint another person to vote on your behalf. You must bring a copy of your passport or similar form of photographic identification with you to the Class B Ordinary Shares Meeting.

If you have any questions about how to vote or direct a vote in respect of your shares, you may contact RBS, Equity Capital Markets / Corporate Actions HQ 3130, Gustav Mahlerlaan 10, 1082 PP, Amsterdam, the Netherlands (telephone number: +31 20 464 3707, fax number: +31 20 464 1707, email: corporate.actions@rbs.com).

You may not use any electronic address provided in this notice of meeting to communicate with the Company for any purposes other than those expressly stated.

Corporate representatives

4. Any corporation which is a holder of Class B Ordinary Shares named in the Company's register of members can appoint one or more corporate representatives who may exercise on its behalf all of its powers provided that they do not exercise their powers differently in relation to the same shares.

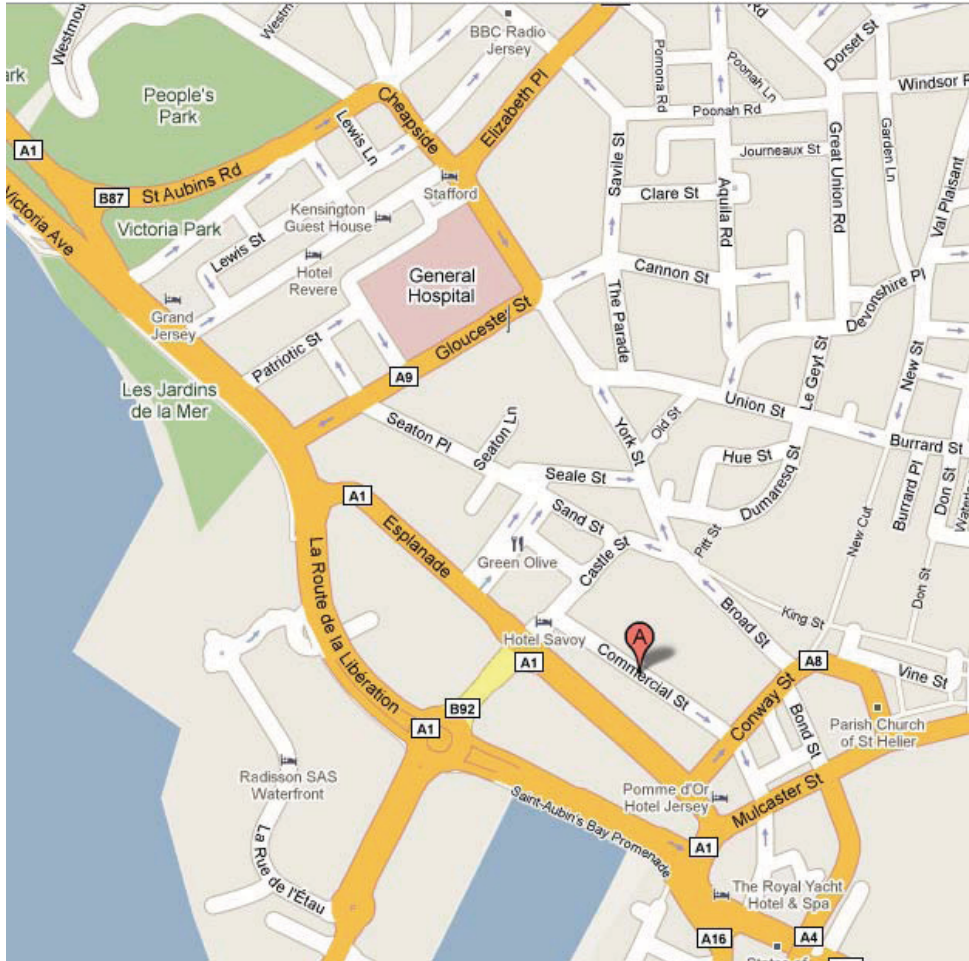
Inspection of documents

5. A copy of the Fourth Amended and Restated Memorandum and Articles of Association of the Company, which will also be submitted for approval at the Company's AGM to be held later on 23 June 2010, will be available for inspection at the venue for the Class B Ordinary Shares Meeting from 15 minutes before the meeting until it ends.

Website

6. Copies of the following documents are, or will be, available on the Company's website www.thephoenixgroup.com:
 - a) this notice;
 - b) the Prospectus; and
 - c) the Annual Report and Accounts of the Company for the year ended 31 December 2009.

MAP AND DIRECTIONS



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Directions to the Class B Ordinary Shares Meeting venue, 1st Floor, No 32 Commercial Street, St Helier, Jersey JE2 3RU.

From the Jersey Airport take the B36 and then the A12 towards St Helier, via Beaumont Hill. At the bottom of the hill at the roundabout turn left towards St Helier along Victoria Avenue (the A1). At the end of Victoria Avenue continue along the Esplanade (still the A1) and then turn left into Castle Street. Then take the 1st right into Commercial Street, and the Class B Ordinary Shares Meeting venue is a few yards down on the right hand side with blue doors at No 32, 1st Floor.

