

THIS SCHEME DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PART TWO OF THIS SCHEME DOCUMENT, TOGETHER WITH THE REST OF THIS SCHEME DOCUMENT, COMPRISES AN EXPLANATORY STATEMENT IN COMPLIANCE WITH THE COMPANIES ACT 1981. This Scheme Document relates to a scheme of arrangement which, if implemented, will result in the cancellation of the listing of Catlin Shares on the Official List and of trading of Catlin Shares on the London Stock Exchange's main market for listed securities. If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000, if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are taking advice in a jurisdiction outside the United Kingdom.

If you have sold or otherwise transferred all of your Catlin Shares, please send this Scheme Document together with the accompanying documents (but not any personalised accompanying documents) at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws of such jurisdiction.

The release, publication or distribution of this Scheme Document in, into or from jurisdictions other than Bermuda, the United Kingdom, the United States of America and the Republic of Ireland may be restricted by the laws of those other jurisdictions. Persons into whose possession this Scheme Document and any accompanying documents come should inform themselves about, and observe, any such restrictions. Failure to comply with any such restrictions may constitute a violation of the laws of any such jurisdiction.

Enclosed with this Scheme Document are personalised Forms of Proxy and a Form of Election (for use by holders of Catlin Shares in certificated form) or personalised Forms of Direction (for use by holders of Catlin Shares in uncertificated form). If you have recently purchased or been transferred Catlin Shares, you should contact Catlin's registrar and receiving agent, Capita Asset Services, on the telephone number set out over the page, to obtain replacements of these documents.

Recommended Offer for Catlin Group Limited

by

XL Group plc

by means of a scheme of arrangement of Catlin Group Limited

under section 99 of the Companies Act 1981

This Scheme Document should be read as a whole and in conjunction with XL's Irish Prospectus, which has been prepared and published by XL in accordance with applicable law and regulation in the Republic of Ireland and which constitutes an approved prospectus in the United Kingdom for the purpose of section 85 of the Financial Services and Markets Act 2000. XL's Irish Prospectus is available (in each case subject to certain access restrictions) on XL's website at www.xlgroup.com and on Catlin's website at www.catlin.com, until the Effective Date.

Your attention is drawn to the letter from the Chairman of Catlin in Part One of this Scheme Document, which contains the unanimous recommendation of the Catlin Directors that you vote in favour of the Scheme at the Court Meeting and in favour of the special resolution to be proposed at the Special General Meeting. An explanatory statement from J.P. Morgan Cazenove and Evercore explaining the Scheme (in compliance with section 100 of the Companies Act 1981) appears in Part Two of this Scheme Document.

Notices of the Court Meeting and the Special General Meeting, which will be held at 5th Floor, Washington House, 16 Church Street, Hamilton HM11, Bermuda on 21 April 2015, are set out at the end of this Scheme Document. The Court Meeting will start at 11.00 a.m. (Bermuda time) on that date and the Special General Meeting will start at 11.15 a.m. (Bermuda time) on that date (or as soon thereafter as the Court Meeting has concluded or been adjourned).

Holders of Catlin Shares in certificated form wishing to appoint a proxy to vote on their behalf should complete the enclosed BLUE and WHITE Forms of Proxy in accordance with the instructions printed thereon and return them as soon as possible, but in any event so as to be received by Catlin's registrar and receiving agent, Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham,

Kent BR3 4TU, United Kingdom by 6.00 p.m. (London time) on 17 April 2015 or, if the Court Meeting or Special General Meeting is adjourned, by 6.00 p.m. (London time) on the day that is two business days before the day fixed for the holding of the relevant adjourned meeting.

Holders of Catlin Shares in uncertificated form (that is, depositary interests in CREST) wishing to instruct Capita IRG Trustees Limited (the “**Depositary**”) to vote the Catlin Shares underlying such depositary interests on their behalf, should complete the enclosed PINK and YELLOW Forms of Direction in accordance with the instructions printed thereon and return them as soon as possible, but in any event so as to be received by Catlin’s registrar and receiving agent, Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom by 6.00 p.m. (London time) on 16 April 2015 or, if the Court Meeting or Special General Meeting is adjourned, by 6.00 p.m. (London time) on the day that is three business days before the date fixed for the holding of the relevant adjourned meeting. Alternatively, holders of Catlin Shares in uncertificated form wishing to instruct the Depositary to vote the Catlin Shares underlying their depositary interests on their behalf may do so electronically through CREST by following the instructions on page 9 of this Scheme Document. The Depositary will also permit registered holders of depositary interests to attend and vote at the Court Meeting and Special General Meeting, by appointing such registered holders of Depositary Interests as its corporate representative in relation to the relevant underlying Catlin Shares.

Helpline

If you have any questions about this Scheme Document, the Court Meeting or the Special General Meeting, or if you did not receive the Forms of Proxy and a Form of Election (if you hold Catlin Shares in certificated form) or if you did not receive the Forms of Direction (if you hold Catlin Shares in uncertificated form (that is, depositary interests in CREST)) or if you are in any doubt as to how to complete and return the Forms of Proxy, Forms of Direction or the Form of Election, or how to submit electronic voting instructions through CREST, please telephone the Catlin Group Limited Shareholder Helpline on 0333 300 1573 from within the UK or on + 44 333 300 1573 if calling from outside the UK. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The Catlin Group Limited Shareholder Helpline is open between 9.00 a.m. and 5.30 p.m. (London time), Monday to Friday (excluding UK public holidays). Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Scheme or the Offer, nor give any financial, legal or tax advice.

J.P. Morgan Cazenove, which is authorised and regulated by the Financial Conduct Authority, is acting as joint financial adviser and corporate broker to Catlin and no one else in connection with the Offer and will not be responsible to anyone other than Catlin for providing the protections afforded to its clients or for providing advice in connection with the Offer. Neither J.P. Morgan Cazenove, nor any of its subsidiaries, branches and affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of J.P. Morgan Cazenove, for the contents of this Scheme Document, including its accuracy, correctness or for any other statement made or purported to be made by it, or on its behalf, in connection with Catlin or the Offer. J.P. Morgan Cazenove, its subsidiaries, branches and affiliates accordingly disclaim all and any liability whether arising in tort, contract or otherwise in respect of this Scheme Document or any such statement. Nothing in this Scheme Document excludes, or attempts to exclude, J.P. Morgan Cazenove’s liability for fraud or fraudulent misrepresentation.

Evercore, which is authorised and regulated by the Financial Conduct Authority, is acting as joint financial adviser for Catlin and no one else in connection with the matters referred to in this Scheme Document and will not be responsible to anyone other than Catlin for providing the protections afforded to its clients or for providing advice in relation to the matters referred to in this Scheme Document. Apart from the responsibilities and liabilities, if any, which may be imposed on it by FSMA or the regulatory regime established thereunder, Evercore does not accept any responsibility whatsoever nor does it make any representation or warranty, express or implied, for the contents of this Scheme Document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with Catlin or

the Scheme, and nothing in this Scheme Document is or will be relied upon as a promise or representation in this respect, whether as to the past, present or future. Evercore accordingly disclaims to the fullest extent permitted by law all and any liability whatsoever, whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this Scheme Document or any such statement.

Barclays, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, is acting exclusively for Catlin as a financial adviser and corporate broker and no one else in connection with the Offer and will not be responsible to anyone other than Catlin for providing the protections afforded to its clients or for providing advice in relation to the Offer or in relation to the contents of this Scheme Document or any transaction or any other matters referred to herein.

Morgan Stanley, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority in the United Kingdom, is acting as joint financial adviser to XL and no one else in connection with the Offer, and will not be responsible to anyone other than XL for providing the protections afforded to clients of Morgan Stanley nor for providing advice in relation to the Offer. Neither Morgan Stanley, nor any of its subsidiaries, branches and affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Morgan Stanley, for the contents of this Scheme Document, including its accuracy, correctness or for any other statement made or purported to be made by it, or on its behalf, in connection with Catlin or the Offer. Morgan Stanley, its subsidiaries, branches and affiliates accordingly disclaim all and any liability whether arising in tort, contract or otherwise in respect of this Scheme Document or any such statement. Nothing in this Scheme Document excludes, or attempts to exclude, Morgan Stanley's liability for fraud or fraudulent misrepresentation.

Goldman Sachs International, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, is acting as joint financial adviser to XL and no one else in connection with the Offer and the other matters referred to in this Scheme Document. In connection with the Offer and any other such matters, Goldman Sachs International, its affiliates and its and their respective partners, directors, officers, employees and agents will not regard any other person as their client, nor will they be responsible to anyone other than XL for providing the protections afforded to their clients or for giving advice in connection with the Offer or any other matter referred to herein. Neither Goldman Sachs International, nor any of its subsidiaries, branches and affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Goldman Sachs International, for the contents of this Scheme Document, including its accuracy, correctness or for any other statement made or purported to be made by it, or on its behalf, in connection with Catlin or the Offer. Goldman Sachs International, its subsidiaries, branches and affiliates accordingly disclaim all and any liability whether arising in tort, contract or otherwise in respect of this Scheme Document or any such statement. Nothing in this Scheme Document excludes, or attempts to exclude, Goldman Sachs International's liability for fraud or fraudulent misrepresentation.

THE CITY CODE ON TAKEOVERS AND MERGERS

By virtue of its status as an exempted company incorporated in Bermuda, the Code does not apply to Catlin. Catlin has incorporated certain takeover-related provisions into its Bye-Laws but these do not provide Catlin Shareholders with the full protections offered by the Code and enforcement of such provisions is the responsibility of Catlin, not the Panel. Accordingly, Catlin Shareholders are reminded that the Panel does not have responsibility, in relation to Catlin, for ensuring compliance with the Code and is not able to answer shareholders' queries. Catlin and XL have agreed certain matters regarding the application of the Code to the Offer, and the terms of that agreement are summarised in paragraph 13 of Part Eight of this Scheme Document.

In particular, public disclosures consistent with the provisions of Rule 8 of the Code (as if it applied to Catlin) should not be emailed to the Panel but, as described below, should be released directly through a Regulatory Information Service.

IMPORTANT NOTICE

The distribution of this Scheme Document in or into jurisdictions other than Bermuda, the United Kingdom, the United States of America and the Republic of Ireland may be restricted by law and therefore any persons who are subject to the laws of any other jurisdiction should inform themselves about, and observe, such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the laws of such jurisdiction. This Scheme Document does not constitute an offer or invitation to purchase or subscribe for any securities or a solicitation of an offer to buy any securities pursuant to this Scheme Document or otherwise in any jurisdiction in which such offer or solicitation is unlawful. This Scheme Document has been prepared to comply with Bermuda and English law and the Listing Rules and the information disclosed may not be the same as that which would have been disclosed if this Scheme Document had been prepared in accordance with the laws of jurisdictions outside Bermuda and the United Kingdom.

The statements contained in this Scheme Document are made as at the date of this Scheme Document, unless some other time is specified in relation to them, and publication or dispatch of this Scheme Document shall not give rise to any implication that there has been no change in the facts set out in this Scheme Document since such date. Nothing in this Scheme Document shall be deemed to be a forecast, projection or estimate of the future financial performance of Catlin, the Catlin Group, XL or the XL Group except where otherwise stated.

The Offer relates to the shares of a Bermuda company and is being made by means of a scheme of arrangement provided for under section 99 of the Companies Act. The transaction, implemented by way of a scheme of arrangement, is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act. Accordingly, the Offer is subject to the disclosure requirements and practices applicable to a scheme of arrangement involving a target company in Bermuda listed on the London Stock Exchange and applicable to the issuance of consideration shares under the laws of the Republic of Ireland, which differ from the disclosure requirements of US tender offer and proxy solicitation rules. If, in the future, XL exercises its right to implement the Offer by way of a Bermuda Merger or by way of a Takeover Offer and determines to extend the Takeover Offer into the US, the Offer will be made in compliance with applicable US laws and regulations.

The New XL Shares to be issued pursuant to the Offer have not been registered under the US Securities Act, and may not be offered or sold in the US absent registration or an applicable exemption from the registration requirements of the US Securities Act. The New XL Shares to be issued pursuant to the Offer will be issued pursuant to the exemption from registration provided by section 3(a)(10) under the US Securities Act. If, in the future, XL exercises its right to implement the Offer by way of a Takeover Offer, a Bermuda Merger or otherwise in a manner that is not exempt from the registration requirements of the US Securities Act, it will file a registration statement with the SEC that will contain a prospectus with respect to the issuance of the New XL Shares. In this event, Catlin Shareholders are urged to read these documents and any other relevant documents filed with the SEC, as well as any amendments or supplements to those documents, because they will contain important information, and such documents will be available free of charge at the SEC's website at www.sec.gov.

Neither the SEC nor any US state securities commission has approved or disapproved of the New XL Shares to be issued in connection with the Offer, or determined if this Scheme Document is accurate or complete. Any representation to the contrary is a criminal offence in the US.

XL and Catlin are incorporated under the laws of the Republic of Ireland and Bermuda, respectively. In addition, some of their respective officers and directors reside outside the US and all or much of their assets are or may be located in jurisdictions outside the US. Therefore, investors may have difficulty effecting service of process within the US upon those persons or recovering against XL, Catlin or their respective officers or directors on judgments of US courts, including judgments based upon the civil liability provisions of the US federal securities laws. It may not be possible to sue XL or Catlin or their respective officers or directors in a non-US court for violations of the US securities laws. There is also doubt as to enforceability in the Republic of Ireland and in Bermuda, in original actions or in actions for enforcement, of the judgments of US courts, based on the civil liability provisions of US federal securities laws. In particular, there is no treaty between the Republic of Ireland and the US providing for the reciprocal recognition and enforcement of foreign judgments, and there is no treaty in force between the US and Bermuda providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters.

Catlin Shareholders that will, on completion of the Offer, hold XL Shares valued at more than US\$76.3 million may be required, before acquiring XL Shares, to file a Notification and Report Form with the Federal Trade Commission and the Antitrust Division of the Department of Justice under the US Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, unless an exemption applies under that Act.

OVERSEAS SHAREHOLDERS

The laws of certain jurisdictions may affect the availability of the Offer to persons who are not resident in the UK, the US, the Republic of Ireland or Bermuda. Persons who are not resident in the UK, the US, the Republic of Ireland or Bermuda or who are subject to laws of any jurisdiction other than the UK, the US, the Republic of Ireland or Bermuda, should inform themselves about, and observe, any applicable requirements. In particular, the ability of Catlin Shareholders who are not resident in the UK, the US, the Republic of Ireland or Bermuda to vote their Catlin Shares with respect to the Offer at the Court Meeting and the Special General Meeting may be affected by the laws of the relevant jurisdiction in which they are located. Any person (including, without limitation, nominees, trustees and custodians) who would, or otherwise intends to, forward this Scheme Document or any accompanying document to any jurisdiction outside the UK, the US, the Republic of Ireland or Bermuda should refrain from doing so and seek appropriate professional advice before taking any action.

The Offer will not be made, directly or indirectly, in or into a Restricted Jurisdiction. Accordingly, copies of this Scheme Document, any accompanying documents and any other documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded or distributed in, into or from a Restricted Jurisdiction. Persons receiving this Scheme Document and any accompanying documents (including custodians, nominees and trustees) must not distribute or send it or them in, into or from any Restricted Jurisdiction.

The Mix and Match Facility is not being extended to any Overseas Shareholder with a registered address in, or which Catlin or XL reasonably believes to be incorporated or resident in, a Restricted Jurisdiction. Any purported election by any such Overseas Shareholder pursuant to the Mix and Match Facility shall be invalid.

NOTICE TO NEW HAMPSHIRE RESIDENTS

Neither the fact that a registration statement or an application for a licence has been filed under Chapter 421-B of the New Hampshire Revised Statutes (“RSA 421-B”) with the state of New Hampshire nor the fact that a security is effectively registered or a person is licenced in the state of New Hampshire constitutes a finding by the secretary of state of the state of New Hampshire that any document filed under RSA 421-B is true, complete and not misleading. Neither any such fact nor the fact that an exemption or exception is available for a security or a transaction means that the secretary of state has passed in any way upon the merits or qualifications of, or recommended or given approval to, any person, security or transaction. It is unlawful to make, or cause to be made, to any prospective purchaser, customer or client any representation inconsistent with the provisions of this paragraph.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Scheme Document contains forward-looking statements, with respect to both XL and Catlin and their industries, that reflect their current views with respect to future events and financial performance. Statements that are not historical facts, including statements about XL’s or Catlin’s beliefs, plans or expectations, are forward-looking statements. These statements are based on current plans, estimates and expectations, all of which involve risk and uncertainty. Statements that include the words “expect”, “intend”, “plan”, “believe”, “project”, “anticipate”, “may”, “could” or “would” or similar statements of a future or forward-looking nature identify forward-looking statements. Actual results may differ materially from those included in such forward-looking statements and therefore you should not place undue reliance on them.

A non-exclusive list of the important factors that could cause actual results to differ materially from those in such forward-looking statements includes: (a) changes in the size of claims relating to natural or man-made catastrophe losses due to the preliminary nature of some reports and estimates of loss and damage to date; (b) trends in rates for property and casualty insurance and reinsurance; (c) the timely and full recoverability of reinsurance placed by XL or Catlin with third parties, or other amounts due to XL or Catlin; (d) changes in the projected amount of ceded reinsurance recoverables and the ratings and creditworthiness of reinsurers; (e) actual loss experience from insured or reinsured events and the timing of claims payments being faster or the receipt of reinsurance recoverables being slower than anticipated; (f) increased competition on the basis of pricing, capacity, coverage terms or other factors such as the increased inflow of third party capital into reinsurance markets, which could harm either XL's or Catlin's ability to maintain or increase its business volumes or profitability; (g) greater frequency or severity of claims and loss activity than XL's or Catlin's respective underwriting, reserving or investment practices anticipate based on historical experience or industry data; (h) changes in the global financial markets, including the effects of inflation on XL's or Catlin's business, including on pricing and reserving, increased government involvement or intervention in the financial services industry and changes in interest rates, credit spreads, foreign currency exchange rates and future volatility in the world's credit, financial and capital markets that adversely affect the performance and valuation of either XL's or Catlin's investments, financing planning and access to such markets or general financial condition; (i) changes in ratings, rating agency policies or practices; (j) the potential for changes to methodologies, estimations and assumptions that underlie the valuation of XL's or Catlin's respective financial instruments that could result in changes to investment valuations; (k) changes to XL's or Catlin's respective assessment as to whether it is more likely than not that it will be required to sell, or has the intent to sell, available-for-sale debt securities before their anticipated recovery; (l) the ability of XL's or Catlin's subsidiaries to pay dividends; (m) the potential effect of legislative or regulatory developments in the jurisdictions in which XL or Catlin operates, such as those that could impact the financial markets or increase their respective business costs and required capital levels, including but not limited to changes in regulatory capital balances that must be maintained by operating subsidiaries and governmental actions for the purpose of stabilising the financial markets; (n) the actual amount of new and renewal business and acceptance of products and services, including new products and services and the materialisation of risks related to such products and services; (o) changes in applicable tax laws, tax treaties or tax regulations or the interpretation or enforcement thereof; (p) the effects of mergers, offers, divestitures and retrocession agreements; and (q) in the case of XL, the other factors set forth in XL's reports on Form 10-K, Form 10-Q and other documents on file with the SEC.

Additionally, the Offer is subject to risks and uncertainties, including: (i) XL and Catlin may be unable to complete the Offer because, among other reasons, conditions to the completion of the Offer may not be satisfied or waived, including the failure to obtain required regulatory approvals, or a party may be entitled to terminate the Offer; (ii) receipt of regulatory approvals required by the Offer may be subject to conditions, limitations and restrictions that could negatively impact the business and operations of the Enlarged XL Group; (iii) uncertainty as to the timing of completion of the Offer; (iv) the ability to obtain approval of the Offer by Catlin Shareholders; (v) uncertainty as to the actual premium (if any) that will be realised by Catlin Shareholders in connection with the Offer; (vi) uncertainty as to the long-term value of the New XL Shares to be issued to Catlin Shareholders in connection with the Offer; (vii) inability to retain key personnel of Catlin or XL during the pendency of the Offer or after completion of the Offer; (viii) failure to realise the potential synergies from the Offer, including as a result of the failure, difficulty or delay in integrating Catlin's businesses into XL; (ix) the ability of the Catlin Board to withdraw its recommendation of the Offer; and (x) the outcome of any legal proceedings to the extent initiated against XL, Catlin and others relating to the Offer, as well as XL and Catlin's management's responses to any of the aforementioned factors.

Neither Catlin nor XL undertakes any obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.

DEALING DISCLOSURE REQUIREMENTS

Catlin is a Bermuda exempted company and is therefore not subject to the Code. Accordingly, shareholders of Catlin and others dealing in Catlin Shares are not obliged to disclose any of their dealings under the provisions of the Code. However, market participants are requested to make disclosures of dealings as if the Code applied and as if Catlin were in an "offer period" under the

Code. Catlin Shareholders and persons considering the offer or disposal of any interest in Catlin Shares are reminded that they are subject to the Disclosure and Transparency Rules made by the UKLA and other applicable regulatory rules regarding transactions in or relating to Catlin Shares.

Catlin's website contains the form of disclosure requested. If you are in any doubt whether you should disclose dealings, you should contact an independent financial adviser authorised by the FCA under the FSMA (or, if you are resident in a jurisdiction other than the UK, a financial adviser authorised under the laws of such jurisdiction).

In light of the foregoing, as provided in Rule 8.3(a) of the Code, any person who is "interested", directly or indirectly, in one per cent. or more of any class of "relevant securities" of Catlin or of any "securities exchange offeror" (being any "offeror" other than an "offeror" in respect of which it has been announced that its "offer" is, or is likely to be, solely in "cash") should have made an Opening Position Disclosure following the commencement of the "offer period" which began when the Possible Offer Announcement was released on 17 December 2014.

An Opening Position Disclosure should contain details of the person's interests and short positions in, and rights to subscribe for, any "relevant securities" of each of (i) Catlin and (ii) XL (being a "securities exchange offeror"). Persons to whom Rule 8.3(a) would have applied had the Code been applicable should have made an Opening Position Disclosure by no later than 3.30 p.m. (London time) on the tenth "business day" following the commencement of the "offer period" which began when the Possible Offer Announcement was released on 17 December 2014. Relevant persons who undertake "dealings" in the "relevant securities" of Catlin or of a "securities exchange offeror" prior to the deadline for making an Opening Position Disclosure should instead make a Dealing Disclosure.

Rule 8.3(b) of the Code provides that if any person is, or becomes "interested" (directly or indirectly) in one per cent. or more of any class of "relevant securities" of an offeree or of any "securities exchange offeror", all "dealings" in any "relevant securities" of that offeree or of any "securities exchange offeror" (including by means of an option in respect of, or a derivative referenced to, any such "relevant securities") should be publicly disclosed in a Dealing Disclosure by no later than 3.30 p.m. (London time) on the "business day" following the date of the relevant transaction. In a situation where the Code applies, this requirement would continue until the date on which any "offer" becomes, or is declared, unconditional as to acceptances, lapses or is otherwise withdrawn or on which the "offer period" otherwise ends. Under Rule 8 of the Code, a Dealing Disclosure would contain details of the "dealing" concerned and of the person's interests and short positions in, and rights to subscribe for, any "relevant securities" of (i) Catlin and (ii) any "securities exchange offeror", save to the extent that these details have previously been disclosed under Rule 8.

Accordingly, in the case of both an Opening Position Disclosure and a Dealing Disclosure (if any), disclosures of interests in the shares of each of XL and Catlin should be made.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an "interest" in "relevant securities" of Catlin or a "securities exchange offeror", they would, if the Code were applicable, be deemed to be a single person for the purpose of Rule 8.3 of the Code.

Consistent with the provisions of Rules 8.1 and 8.2 of the Code, Opening Position Disclosures should be made by Catlin and by any "offeror", and all "dealings" in "relevant securities" of Catlin by Catlin, by any "offeror" or by any persons "acting in concert" with any of them, should be disclosed in a Dealing Disclosure by no later than 12.00 p.m. (London time) on the "business day" following the date of the relevant transaction.

"Interests in securities" arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of "securities". In particular, a person will be treated as having an "interest" by virtue of the ownership or control of "securities", or by virtue of any option in respect of, or derivative referenced to, "securities".

Terms in quotation marks are defined in the Code, which can be found on the Panel's website. If you are in any doubt whether you should disclose a "dealing" by reference to the above, you should contact an independent financial adviser authorised by the FCA under the FSMA (or, if you are resident in a jurisdiction other than the UK, a financial adviser authorised under the laws of such jurisdiction).

**PUBLICATION OF THIS SCHEME DOCUMENT
AND AVAILABILITY OF HARD COPIES**

A copy of this Scheme Document will be made available (in each case subject to certain access restrictions) on the Catlin website at www.catlin.com and on XL's website at www.xlgroup.com by 12.00 p.m. (London time) on the business day following the date of this Scheme Document. For the avoidance of doubt, save as expressly referred to in this Scheme Document, the contents of those websites are not incorporated into and do not form part of this Scheme Document.

You may request a hard copy of this Scheme Document (and any information incorporated by reference in this Scheme Document) by contacting the Catlin Group Limited Shareholder Helpline on 0333 300 1573 from within the UK or on + 44 333 300 1573 if calling from outside the UK. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The Catlin Group Limited Shareholder Helpline is open between 9.00 a.m. and 5.30 p.m. (London time), Monday to Friday (excluding UK public holidays). Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Scheme or the Offer, nor give any financial, legal or tax advice.

This Scheme Document is dated 2 April 2015.

ACTIONS TO BE TAKEN

TO VOTE ON THE OFFER

This page should be read in conjunction with the rest of this Scheme Document and, in particular, the notices of the Court Meeting and the Special General Meeting at the end of this Scheme Document and the instructions printed on the Forms of Proxy and Forms of Direction.

Holders of Catlin Shares in certificated form

Whether or not you plan to attend the Court Meeting and/or the Special General Meeting, holders of Catlin Shares in certificated form wishing to appoint a proxy to vote on their behalf in respect of such holding should:

1. complete and return the BLUE Form of Proxy for use at the Court Meeting in accordance with the instructions printed thereon so as to be received by Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom by 6.00 p.m. (London time) on 17 April 2015; and
2. complete and return the WHITE Form of Proxy for use at the Special General Meeting in accordance with the instructions printed thereon so as to be received by Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom by 6.00 p.m. (London time) on 17 April 2015.

Once returned, a Form of Proxy will remain valid at any adjourned Court Meeting or any Special General Meeting, unless it is validly revoked. If the Court Meeting or Special General Meeting is adjourned, a Form of Proxy not previously completed and returned must be completed and returned, so as to be received by Catlin's registrar and receiving agent, Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom, by 6.00 p.m. (London time) on the day that is two business days before the date fixed for the holding of the relevant adjourned meeting.

If the BLUE Form of Proxy for the Court Meeting is not returned so as to be received by the above time, it may be handed to Capita Asset Services, or to the Chairman of the Court Meeting at the Court Meeting (or any adjournment thereof), before the poll is taken. However, in the case of the Special General Meeting, if the WHITE Form of Proxy is not returned so as to be received by the above time and in accordance with the instructions in the Form of Proxy, it will be invalid.

The completion and return of Forms of Proxy will not prevent Catlin Shareholders from attending and voting at the Court Meeting and/or Special General Meeting, or any adjournments thereof, in person, should they wish to do so and should they be so entitled.

Holders of Catlin Shares in uncertificated form (that is, depositary interests in CREST)

Depositary interests, each representing one underlying Catlin Share, are traded electronically in the United Kingdom through CREST. The depositary is Capita IRG Trustees Limited (the "Depositary").

Holders of Catlin Shares in uncertificated form (that is, depositary interests in CREST) wishing to instruct the Depositary to vote the Catlin Shares underlying their depositary interests on their behalf, should:

1. complete and return the PINK Form of Direction for use in relation to the Court Meeting in accordance with the instructions printed thereon so as to be received by Catlin's registrar and receiving agent, Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom by 6.00 p.m. (London time) on 16 April 2015; and
2. complete and return the YELLOW Form of Direction for use in relation to the Special General Meeting in accordance with the instructions printed thereon so as to be received by Catlin's registrar and receiving agent, Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom by 6.00 p.m. (London time) on 16 April 2015.

If the Court Meeting or Special General Meeting is adjourned, the relevant Form of Direction must be returned by 6.00 p.m. (London time) on the day that is three business days before the date fixed for the holding of the relevant adjourned meeting.

Alternatively, holders of Catlin Shares in uncertificated form (that is, depositary interests in CREST) may instruct the Depositary to vote the Catlin Shares underlying their depositary interests on their behalf, using the CREST electronic voting service. To instruct the Depositary how to vote or amend an instruction to vote via the CREST system, the CREST Message must be received by Catlin's registrar and receiving agent, Capita Asset Services (CREST Participant ID: RA10) by 6.00 p.m. (London time) on 16 April 2015 (or, if the Court Meeting or Special General Meeting is adjourned, by 6.00 p.m. (London time) on the day that is three business days before the date fixed for the holding of the relevant adjourned meeting). For the instructions to the Depositary made by means of CREST to be valid, the appropriate CREST Message 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. 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. CREST personal members or other CREST sponsored members, and those CREST members who have appointed voting service provider(s), should contact their CREST sponsor or voting service provider(s) for assistance. For further information on CREST procedures, limitations and system timings please refer to the CREST Manual, which is available at www.euroclear.com/CREST.

If no indication is given how you want your vote cast on a resolution, you will be deemed as instructing the Depositary to abstain from voting on that resolution.

Holders of Catlin Shares in uncertificated form who wish to attend the Court Meeting or Special General Meeting in person should contact the Depositary to obtain a letter of representation in respect of the Catlin Shares underlying the depositary interests.

It is important that, for the Court Meeting, as many votes as possible are cast so that the court may be satisfied that there is a fair representation of the opinion of Scheme Shareholders. You are therefore strongly urged to complete, sign and return your Forms of Proxy, Forms of Direction or, alternatively, submit your voting direction via electronic means in CREST, as soon as possible.

TO MAKE AN ELECTION UNDER THE MIX AND MATCH FACILITY

Under the terms of the Offer, all Scheme Shareholders will receive 388 pence in cash and 0.130 New XL Shares in respect of each Scheme Share they hold, unless they actively elect to vary the proportions of cash or New XL Shares they receive in respect of their holdings of Scheme Shares, under the Mix and Match Facility, subject to off-setting elections by other Scheme Shareholders.

Holders of Catlin Shares in certificated form

If you hold Catlin Shares in certificated form and you wish to make an election under the Mix and Match Facility in respect of such holding, please complete and return the enclosed GREEN Form of Election in accordance with the instructions printed thereon so as to be received by Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom by the Election Return Time, which is currently expected to be 1.00 p.m. (London time) on 28 April 2015. A reply-paid envelope (marked with a GREEN flash) is provided for use only in the UK.

If you hold Catlin Shares in certificated form as well as Catlin Shares in uncertificated form, and you wish to make an election under the Mix and Match Facility in respect of both such holdings, you must make a separate election in respect of each holding.

Holders of Catlin Shares in certificated form who do not wish to make an election under the Mix and Match Facility are not required to return the GREEN Form of Election.

Holders of Catlin Shares in uncertificated form

Holders of Catlin Shares in uncertificated form wishing to make an election under the Mix and Match Facility in respect of such holding may submit a TTE Instruction using the CREST system. The TTE Instruction must be received by Capita Asset Services (CREST Participant ID: RA10) by the Election Return Time, which is currently expected to be 1.00 p.m. (London time) on 28 April 2015. For the TTE Instruction made by means of CREST to be valid, the appropriate CREST Message 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. 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. CREST personal members or other CREST sponsored members, and those CREST members who have appointed voting service provider(s), should contact their CREST sponsor or voting service provider(s) for assistance. For further information on CREST procedures, limitations and system timings please refer to the CREST Manual, which is available at www.euroclear.com/CREST.

If you hold Catlin Shares in uncertificated form as well as Catlin Shares in certificated form, and you wish to make an election under the Mix and Match Facility in respect of both such holdings, you must make a separate election in respect of each holding.

Holders of Catlin Shares in uncertificated form who do not wish to make an election under the Mix and Match Facility are not required to submit a TTE Instruction.

The latest time for lodging your GREEN Form of Election (in respect of holdings of Catlin Shares in certificated form) or for submitting a TTE Instruction (in respect of holdings of Catlin Shares in uncertificated form) is the Election Return Time, which is currently expected to be 1.00 p.m. (London time) on 28 April 2015. Catlin will advise of any changes to this date and time, by issuing an announcement through a Regulatory Information Service.

Restrictions on the availability of the Mix and Match Facility

The Mix and Match Facility has not been extended to Overseas Shareholders with a registered address in a Restricted Jurisdiction, or whom Catlin or XL reasonably believes to be resident or incorporated in, or a citizen of, a Restricted Jurisdiction, and no GREEN Form of Election will be sent to them nor will they be entitled to submit a TTE Instruction. Any purported election under the Mix and Match Facility by any such Overseas Shareholder shall be void. Further details are set out in Part Nine of this Scheme Document.

Helpline

If you have any questions about this Scheme Document or about the Court Meeting or the Special General Meeting, or if you did not receive the Forms of Proxy and a Form of Election (if you hold Catlin Shares in certificated form) or if you did not receive the Forms of Direction (if you hold Catlin Shares in uncertificated form), or if you are in any doubt as to how to complete and return the Forms of Proxy, Forms of Direction of the Form of Election, or how to submit electronic voting instructions through CREST, please telephone the Catlin Group Limited Shareholder Helpline on 0333 300 1573 from within the UK or on + 44 333 300 1573 if calling from outside the UK. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The Catlin Group Limited Shareholder Helpline is open between 9.00 a.m. and 5.30 p.m. (London time), Monday to Friday (excluding UK public holidays). Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Scheme or the Offer, nor give any financial, legal or tax advice.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	Time and date ⁽¹⁾ :
Publication of this Scheme Document	2 April 2015
Record date for ITB Special Dividend (11.7p)	10 April 2015
Latest time for holders of Catlin Shares in uncertificated form to return Forms of Direction or voting instructions via CREST for the:	
– Court Meeting (PINK form)	6.00 p.m. on 16 April 2015 ⁽²⁾
– Special General Meeting (YELLOW form).....	6.00 p.m. on 16 April 2015 ⁽³⁾
Latest time for holders of Catlin Shares in certificated form to return Forms of Proxy for the:	
– Court Meeting (BLUE form)	6.00 p.m. on 17 April 2015 ⁽⁴⁾
– Special General Meeting (WHITE form)	6.00 p.m. on 17 April 2015 ⁽⁵⁾
Voting Record Time	6.00 p.m. on 17 April 2015⁽⁶⁾
Court Meeting	11.00 a.m. (Bermuda time) on 21 April 2015
Special General Meeting	11.15 a.m. (Bermuda time) on 21 April 2015 ⁽⁷⁾
Payment date for ITB Special Dividend (11.7p).....	24 April 2015
Last day of dealings in, and for registration of transfers of, Catlin Shares	28 April 2015
Election Return Time	1.00 p.m. on 28 April 2015
Dealings in Catlin Shares suspended in London and disablement in CREST	7.30 a.m. on 29 April 2015
Court Hearing to sanction the Scheme	9.30 a.m. (Bermuda time) 29 April 2015
Scheme Record Time	6.00 p.m. on 30 April 2015
Effective Date.....	1 May 2015
Delisting of Catlin Shares becomes effective	1 May 2015
Admission of New XL Shares to the New York Stock Exchange and the Bermuda Stock Exchange.....	1 May 2015
CREST accounts of holders of Catlin Shares in uncertificated form credited with New XL Shares...	1 May 2015
Dispatch of cheques in respect of cash consideration (or electronic settlement through CREST).....	By 15 May 2015
Dispatch of statements of entitlements, in respect of New XL Shares	By 15 May 2015
Long Stop Date.....	9 October 2015 ⁽⁸⁾

Notes:

- (1) All dates and times shown are indicative only and are subject to change and will depend, among other things, on the date on which the Conditions to the Scheme are satisfied (or, if capable of waiver, waived) and on the date on which the Court sanctions the Scheme. Catlin will give advance notice of all these dates and times, when known, by issuing an announcement through a Regulatory Information Service. Further updates or changes to these dates or times will be notified in the same way.
- (2) PINK Forms of Direction for the Court Meeting, or voting instructions via CREST, must be returned or submitted by holders of Catlin Shares in uncertificated form by 6.00 p.m. (London time) on 16 April 2015 or, if the Court Meeting is adjourned, by 6.00 p.m. (London time) on the day that is three business days before the date fixed for the holding of the adjourned meeting. If the PINK Form of Direction or CREST voting instructions is/are not returned or submitted by such time, it/they will be invalid.
- (3) YELLOW Forms of Direction for the Special General Meeting, or voting instructions via CREST, must be returned or submitted by holders of Catlin Shares in uncertificated form by 6.00 p.m. (London time) on 16 April 2015 or, if the Special General Meeting is adjourned, by 6.00 p.m. (London time) on the day that is three business days before the date fixed for the holding of the adjourned meeting. If the YELLOW Form of Direction or CREST voting instructions is/are not returned or submitted by such time, it/they will be invalid.

- (4) BLUE Forms of Proxy for the Court Meeting must be returned by holders of Catlin Shares in certificated form by 6.00 p.m. (London time) on 17 April 2015, or if the Court Meeting is adjourned, by 6.00 p.m. (London time) on the day that is two business days before the date fixed for the holding of the adjourned meeting. BLUE Forms of Proxy not so returned may be handed to Catlin's registrar and receiving agent, Capita Asset Services, or to the Chairman of the Court Meeting, at the Court Meeting (or any adjournment thereof) before the poll is taken.
- (5) WHITE Forms of Proxy for the Special General Meeting must be returned by holders of Catlin Shares in certificated form by 6.00 p.m. (London time) on 17 April 2015 or, if the Special General Meeting is adjourned, by 6.00 p.m. (London time) on the day that is two business days before the date fixed for the holding of the adjourned meeting. If the WHITE Form of Proxy is not returned by such time, it will be invalid.
- (6) This is the time and day by reference to which the entitlement to attend and vote at the Court Meeting and Special General Meeting will be determined. If either the Court Meeting or the Special General Meeting is adjourned, the Voting Record Time for the relevant adjourned meeting will be 6.00 p.m. (London time) on the day which is two business days prior to the date of the adjourned meeting.
- (7) Or as soon thereafter as the Court Meeting shall have concluded or been adjourned.
- (8) This is the latest date by which the Scheme may become effective unless XL and Catlin agree, and (if required) the Court allows, a later date.

All references in this Scheme Document to times are to London time unless otherwise stated.

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PART ONE: LETTER FROM THE CHAIRMAN OF CATLIN GROUP LIMITED

Catlin Group Limited

Registered office:

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

Incorporated and registered in Bermuda under registration number 26680

John Barton (*Chairman*)

Stephen Catlin (*Chief Executive Officer and Deputy Chairman*)

Benjamin Meuli (*Chief Financial Officer*)

Nicholas Lyons (*Senior Independent Non-executive Director*)

Claus-Michael Dill (*Independent Non-executive Director*)

Robert Gowdy (*Independent Non-executive Director*)

Beatrice Hollond (*Independent Non-executive Director*)

Fiona Luck (*Independent Non-executive Director*)

2 April 2015

To Catlin Shareholders and, for information only, to holders of options or awards under the Catlin Share Schemes

Dear Catlin Shareholder,

RECOMMENDED OFFER BY XL FOR CATLIN

1. Introduction

On 9 January 2015, the Boards of Catlin and XL announced that they had agreed the terms of a recommended offer by XL for Catlin.

The Offer is to be implemented by way of a two-step, integrated process comprising a court-sanctioned scheme of arrangement under section 99 of the Companies Act, followed immediately by the merger of Catlin with and into XL Sub (such that XL Sub is the surviving company) under section 104H of the Companies Act. XL Sub is a wholly owned subsidiary of XL Group incorporated in Bermuda for the purpose of completing the Offer.

I am writing to you today to set out a summary of the terms of the Offer, to give you details of the Scheme, the background to the Offer and the reasons why the Catlin Board considers the terms of the Offer to be fair and reasonable and the Catlin Directors are unanimously recommending that you vote in favour of the Scheme at the Court Meeting and in favour of the special resolution to be proposed at the Special General Meeting. Both meetings will be held at 5th Floor, Washington House, 16 Church Street, Hamilton HM11, Bermuda on 21 April 2015. The Court Meeting will start at 11.00 a.m. (Bermuda time) on that date and the Special General Meeting at 11.15 a.m. (Bermuda time) on that date (or as soon thereafter as the Court Meeting has concluded or been adjourned).

XL has also published XL's Irish Prospectus, which contains further information on the Enlarged XL Group and the New XL Shares. This Scheme Document should be read in conjunction with XL's Irish Prospectus, which is available on XL's website at www.xlgroup.com and on Catlin's website at www.catlin.com (in each case subject to certain access restrictions), until the Effective Date.

Details of the actions to be taken by Catlin Shareholders in order to vote on the Offer are set out in the section headed "ACTIONS TO BE TAKEN" starting on page 9 of this Scheme Document. The unanimous recommendation of the Catlin Directors is set out in paragraph 20 of this letter.

2. Summary of the terms of the Offer and the Scheme

Under the terms of the Offer and the Scheme, which is subject to the Conditions and to the further terms set out in full in Part Three of this Scheme Document, Scheme Shareholders will receive:

**for each Catlin Share 388 pence in cash
and
0.130 New XL Share**

On 10 February 2015, the Catlin Board declared the 2014 Final Dividend of 22 pence per Catlin Share, which was paid on 19 March 2015 to holders of Catlin Shares of record on 20 February 2015. In addition, following completion of the disposal of Catlin's investment in Box Innovation Group Limited (trading as "insurethebox") ("ITB") as announced on 31 March 2015, the Catlin Board has declared the ITB Special Dividend of 11.7 pence per Catlin Share, payable on 24 April 2015 to holders of Catlin Shares of record on 10 April 2015 (the "ITB Special Dividend").

Based on the Closing Price per XL Share of US\$35.42 and the exchange rate of US\$1.5084:£1 on 8 January 2015 (being the day before the date of the Announcement), the Offer (together with the 2014 Final Dividend, but excluding the ITB Special Dividend) valued each Catlin Share at approximately 715.3 pence and the entire issued and to be issued share capital of Catlin at approximately £2.79 billion (based on an assumed fully-diluted share capital of up to 390 million Catlin Shares), representing a premium of approximately:

- 22.9 per cent. to the Closing Price per Catlin Share of 582 pence on 16 December 2014 (being the last business day before the commencement of the offer period);
- 26.3 per cent. to the volume weighted average Closing Price per Catlin Share of 566 pence for the month ended on 16 December 2014 (being the last business day before the commencement of the offer period);
- 33.0 per cent. to the volume weighted average Closing Price per Catlin Share of 538 pence for the three months ended on 16 December 2014 (being the last business day before the commencement of the offer period); and
- 8.3 per cent. to the Closing Price per Catlin Share of 660.5 pence on 8 January 2015 (being the last business day before the date of the Announcement).

Based on the Closing Price per XL Share of US\$36.80 and the exchange rate of US\$1.4829:£1 on 31 March 2015 (being the latest practicable date before the date of this Scheme Document), the Offer (together with the 2014 Final Dividend but excluding the ITB Special Dividend) values each Catlin Share at approximately 732.6 pence and the entire issued and to be issued share capital of Catlin at approximately £2.86 billion (based on an assumed fully-diluted share capital of up to 390 million Catlin Shares).

Catlin Shareholders (except certain Overseas Shareholders) are also being offered the opportunity, under the Mix and Match Facility, to elect to vary the proportions of cash consideration and New XL Shares they receive in respect of their holdings of Catlin Shares, subject to off-setting elections made by other Catlin Shareholders so that the total number of New XL Shares to be issued and the total cash consideration to be paid by XL pursuant to the Scheme is not varied. Under the Mix and Match Facility, Scheme Shareholders may elect to swap their 388 pence cash entitlement for an additional 0.15635 New XL Shares or, alternatively, to swap their entitlement to 0.130 New XL Shares for an additional 323 pence in cash. This ratio has been determined with reference to the Closing Price per XL Share of US\$36.80 and the exchange rate of US\$1.4829:£1 on 31 March 2015 (being the latest practicable date before the date of this Scheme Document). To the extent that elections for additional New XL Shares or additional cash consideration cannot be satisfied in full, they will be scaled down on a *pro rata* basis. Further information about the Mix and Match Facility is provided in Part Nine of this Scheme Document.

If the Scheme becomes effective, and on the assumption that there will be up to 390 million Catlin Shares in issue at the Scheme Record Time, the Scheme would result in the issue of up to 50.7 million New XL Shares to Scheme Shareholders. On that basis, Scheme Shareholders would hold up to 16.3 per cent., and existing XL Shareholders up to 83.7 per cent. of the enlarged share capital of XL immediately following the Effective Date.

The New XL Shares will be allotted and issued credited as fully paid and will rank *pari passu* in all respects with the XL Shares in issue on the Effective Date, save that they will not participate in any dividend payable by XL by reference to a record date prior to the Effective Date. Application will be made for all the New XL Shares to be admitted to trading on the New York Stock Exchange and the Bermuda Stock Exchange. The New XL Shares will not be admitted to the Official List in the United Kingdom or to trading on any stock exchange in the United Kingdom or any other stock exchange except as stated. Further information about how the New XL Shares may be dealt with after the Effective Date is set out in paragraph 7 of Part Two of this Scheme Document.

Fractions of New XL Shares will not be allotted and the entitlement of Scheme Shareholders will be rounded down to the nearest whole number of New XL Shares. All fractions of New XL Shares to which Scheme Shareholders would otherwise have been entitled will be aggregated, rounded down to the nearest whole number of New XL Shares, allotted and issued to a person appointed by XL, and sold in the market following the Effective Date and the net proceeds of such sale (after the deduction of all expenses and commissions, including any amounts in respect of value added tax payable thereon) will be converted to sterling and be paid by XL to the person(s) entitled thereto in due proportions, rounded down to the nearest whole penny. Fractions of a penny will not be paid and any fractional entitlement to cash will be rounded down to the nearest whole penny.

3. Background to and reasons for XL making the Offer

XL and Catlin have for some time shared a belief in the benefits of creating a combined company. While both companies are well positioned to succeed on their own, they each believe that in combination they will be better positioned to deal with some of the challenges posed by key market forces shaping the Property and Casualty insurance sector including:

- the increasingly concentrated nature of the broker market;
- the pressure for underwriting organisations to be increasingly global in support of clients;
- the need to invest in better, more expensive and more advanced data and analytics systems;
- the need to harness alternative capital opportunities; and
- the increasing capital levels and implementation costs required by regulators in various jurisdictions.

XL believes that the combination of XL and Catlin will result in a broader, better balanced and more efficient underwriting platform by bringing together two highly compatible cultures based on being best-in-class, underwriting-driven organisations. XL expects the combination of XL and Catlin to result in double-digit EPS and meaningful ROE accretion, upon full phase-in of the expected synergies described in paragraph 4 below, and to yield an estimated internal rate of return well in excess of cost of capital. While the parent company of the Enlarged XL Group will remain XL Group plc, the intention is to market the combined business as “XL Catlin”, reflecting the strong reputation of both brands.

3.1 Enhanced Scale and Broader Product Offerings

With a combined US\$17 billion of total capital, and approximately US\$10 billion of combined net premiums written based on the 31 December 2014 audited financial statements of each company, the Enlarged XL Group is anticipated to achieve significant scale within its core competencies of global specialty insurance and reinsurance. The Enlarged XL Group is expected to be able to access clients through a variety of channels, including Lloyd’s, where Catlin is the largest underwriting syndicate, and through the enhanced global network of the Enlarged XL Group. Both XL and Catlin have made significant investments in international offices and underwriting hubs – the combination of which is anticipated to increase the relevance of each company in these regions and therefore enable the Enlarged XL Group to participate in the most attractive underwriting opportunities across the regions.

In specialty insurance, the Enlarged XL Group will benefit from Catlin’s core Lloyd’s businesses, such as Aviation, Marine and Energy, in which the combined company will represent a best-in-class platform, and expects to be among the world’s largest writers in many lines, including Aerospace (in which it expects to be among the world’s top three writers), Fine Art & Specie (in which it expects to be among the world’s top three writers) and Political Risk and Crisis Management (in which it expects to be among the world’s top five writers). Increased relevance with brokers will be enhanced through greater premium volume, broader product offering and an

expanded global network. Approximately US\$3.8 billion⁽¹⁾ of combined ceded reinsurance will allow for increased purchasing power and further optimisation with the reinsurance and retrocession markets. In addition, XL expects to achieve a significant scale increase in the reinsurance market, affirming itself as a global reinsurer with multi-line capabilities, with gross premiums written nearly doubling to more than US\$3.9 billion based on gross premiums written in 2014. XL believes the Enlarged XL Group will be a top three property catastrophe writer among broker market peers, based on the combined historical property catastrophe gross premiums written in 2014. XL believes that this will significantly increase its attractiveness and flexibility to third party capital providers.

The Enlarged XL Group's greater size will also enable it to leverage more effectively the investments in technology and data analytics that XL believes all underwriting organisations will have to make over the next few years.

3.2 Increased Efficiency

Significant opportunities exist for Catlin and XL to consolidate their operations where there are overlapping footprints in multiple jurisdictions. Examples of areas in which the Enlarged XL Group would be able to achieve greater efficiency include consolidation of the combined infrastructure related to technology, real estate and operations as well as consolidation of business and central support functions.

3.3 Culturally Compatible Organisations

Similar to XL, Catlin is first and foremost an underwriting business focused on the core principles of discipline, diversification and underwriting profitability. As a result of this focus, Catlin has produced a consistently low loss ratio, averaging 57.7 per cent. over the last six years. Catlin has released reserves every year since its initial public offering and admission to listing on the London Stock Exchange in 2004. Catlin's underwriting-driven culture is embodied in its senior management team, led by Stephen Catlin, the founder and Chief Executive Officer, who commenced underwriting at Lloyd's in 1973. Stephen Catlin's continued involvement in the Enlarged XL Group as Executive Deputy Chairman, along with the senior roles to be assumed by Paul Brand, Catlin's Chief Underwriting Officer, Benjamin Meuli, Catlin's Chief Financial Officer, and Paul Jardine, Catlin's Chief Operating Officer, will encourage continuity and consistency in the organisation's core values and business practices.

3.4 Offer Accretive to XL's EPS and ROE

XL expects to issue approximately US\$1.9 billion of New XL Shares in connection with the Offer (based on the Closing Price per XL Share of US\$36.80 on 31 March 2015 (being the latest practicable date before the date of this Scheme Document)). Although XL has entered into the Bridge Facility, it expects that the cash component of the consideration due to Scheme Shareholders under the Offer will be funded with cash on hand and through the proceeds from the issuance of the Subordinated Notes. XL expects this funding structure, combined with the operating and other efficiencies described above, to lead to double-digit EPS and meaningful ROE accretion, upon full phase-in of the expected synergies described below. XL also expects the combination of XL and Catlin to result in a positive impact to XL's EPS and ROE in the first full year following completion of the Offer. The Enlarged XL Group will have debt and preferred equity of US\$4.7 billion on completion of the Offer, resulting in leverage of under 30 per cent. (which would be intended to reduce over time).

4. Financial Benefits of the Offer

XL, having reviewed and analysed the potential benefits of combining XL and Catlin, based on its experience of operating in the insurance sector, and taking into account the factors it can influence, believes that the Enlarged XL Group will be able to achieve cost synergies of at least US\$200 million on a recurring basis⁽²⁾.

(1) This amount includes reinsurance ceded between XL and Catlin as independent organisations.

(2) No statement in this Scheme Document is intended as a profit forecast or estimate for any period and no statement in this Scheme Document should be interpreted to mean that earnings or EPS for XL or Catlin for the current or future financial years would necessarily match or exceed the historical published earnings or EPS for XL or Catlin. These statements of estimated cost synergies relate to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, the cost synergies referred to may not be achieved, or those achieved could be materially different from those estimated. Neither these statements nor any other statement in this Scheme Document should be construed as a profit forecast or interpreted to mean that the Enlarged XL Group earnings in the first full year following the Offer, or in any subsequent period, would necessarily match or be greater than or be less than those of XL and/or Catlin for the relevant preceding financial period or any other period.

XL expects that the full recurring synergies will be achieved by the end of 2017.

The principal sources of potential quantified synergies are:

- approximately 50 per cent. of the identified synergies are to be generated from consolidation of infrastructure related to technology, real estate and operational overlap; and
- approximately 50 per cent. of the identified synergies are to be generated from the consolidation of business and central support functions.

In addition to these potential quantified synergies, XL believes that significant further value can be created through realisation of incremental capital, financial and business benefits, including:

- enhanced scale, creating enhanced relevance to brokers;
- greater ability to deliver solutions to clients globally in specialty lines and in property catastrophe reinsurance; and
- enhanced opportunities to gain efficiencies from greater size, particularly to meet increasing costs and requirements from regulators.

The integration of the businesses will require combining the Catlin businesses and group functions into XL, with selection of the optimal platforms and operating model.

XL envisages that the realisation of the potential quantified synergies will result in one-off integration costs of approximately US\$250 million (in aggregate), which are all anticipated to be incurred by the end of 2017.

As has been the case in prior transactions which combined insurance or reinsurance companies, XL expects to face some challenges in retaining the total amount of combined premiums written. Given the inherent uncertainty of the factors which may influence this, XL is unable to provide an estimate of the possible material impact the combination could have in this regard. XL intends to take steps to minimise any such effects.

The identified synergies will accrue as a direct result of successful completion of the Offer and would not be achieved on a standalone basis.

The above statements as to XL's expectations of the estimated cost savings, synergies and value enhancements expected to arise from successful completion of the Offer, as well as XL's bases of belief, were included in the Announcement, and the XL Officers confirm that they remain valid. Each of Ernst & Young, and XL's financial advisers, Morgan Stanley & Co. International plc and Goldman Sachs International, confirms that their respective reports produced in connection with these statements, which were annexed to the Announcement, continue to apply.

5. Background to and reasons for Catlin recommending the Offer

Catlin is a highly regarded, specialty insurance and reinsurance business, with a strong presence at Lloyd's and a broader underwriting platform that is supported by a diverse international network of offices and underpinned by excellent people and culture. Disciplined underwriting combined with geographic and product diversification has been at the core of Catlin's strategy. Since the Catlin Group was established in 1984, it has sought to underwrite for profit, with good top-line growth in premiums driving attractive growth in the bottom-line. Outside London, Catlin has five underwriting hubs, which have demonstrated meaningful growth in terms of both premium volume and net underwriting contribution over recent years. Catlin continues to see profitable growth opportunities outside London, and its decade-long investment in a global infrastructure will allow it to pursue these opportunities as they arise.

Despite the progress Catlin has made as a standalone company, the outlook for the insurance and reinsurance markets is becoming increasingly challenging. While the Catlin Board believes that Catlin is well positioned to succeed as an independent business, it recognises that further economies of scale, increased diversification (in terms of business mix) and improved standing with insurance intermediaries will be critical factors for the development of the industry in future years.

The proposed combination with XL builds on each business's core strengths, creating one of the largest global specialty insurance players with an improved client proposition. This combination is expected to enable the two businesses to deliver sustainable and more attractive returns to shareholders against this changing industry backdrop.

The Catlin Board has considered the terms of the Offer in relation to the value and prospects and the potential medium-term standalone value of Catlin. In particular, the Catlin Board considered the following factors:

- strategic benefits from scale in the industry through the creation of a leading global (re)insurance platform with a leading position in all major insurance and reinsurance markets;
- enhanced growth opportunities from the combination of two industry-leading underwriting teams, with a broader product set and increased relevance for clients;
- benefits from each business's competencies, geographic footprint and technological capabilities through the complementary nature of the two businesses;
- participation in significant financial benefits from cost synergies, reinsurance and other savings;
- strong cultural compatibility, with key executives of Catlin taking prominent management positions within the combined organisation, assisting in a smooth integration of both firms' operations;
- financial terms of the transaction that provide shareholders with an attractive premium up front, while maintaining continued up-side exposure from a shareholding in the combined entity; and
- maintaining the ability for Catlin Shareholders to receive value from the sale of Catlin's interest in Box Innovation Group Limited through the ITB Special Dividend.

In light of these factors, and having received advice from its financial advisers, the Catlin Board unanimously recommends the Offer to Catlin Shareholders as set out in paragraph 20 below.

6. Irrevocable undertakings

XL has received irrevocable undertakings from each of the Catlin Directors to vote or procure votes in favour of the Scheme at the Court Meeting and in favour of the special resolution to be proposed at the Special General Meeting, in respect of 8,423,502 Catlin Shares, in aggregate, representing approximately 2.29 per cent. of the issued share capital of Catlin on 31 March 2015 (being the latest practicable date before the date of this Scheme Document). Further details of these irrevocable undertakings are set out in paragraph 14 of Part Eight of this Scheme Document.

Stephen Catlin intends to continue to hold New XL Shares as a long-term investment, reflecting the parties' shared belief in the benefits of creating a combined company.

7. Information on Catlin

Catlin Group Limited, incorporated and domiciled in Bermuda, is an international specialist property/casualty insurer and reinsurer that underwrites worldwide through six underwriting hubs.

Catlin was originally established in 1984 as a Lloyd's underwriting agency formed to manage a new underwriting syndicate. During the past 30 years, Catlin has grown to become a leading international specialist insurer and reinsurer that includes the largest underwriting syndicate at Lloyd's and (re)insurance companies/branches based in Bermuda, the United Kingdom, the US, Switzerland and Singapore.

Since 1999, Catlin has diversified geographically from its traditional London base, establishing more than 50 offices in 25 countries worldwide. To reflect this international focus, Catlin has organised its operations into underwriting hubs located in London, Bermuda, the US, the Asia-Pacific region, Europe and Canada. Through these hubs, Catlin works closely with policyholders and their brokers. The hubs also provide Catlin with product and geographic diversity.

Catlin's financial reporting segments are based on its international hub structure: London, US, Bermuda and International (Europe, Asia-Pacific and Canada).

Catlin underwrites a broad range of property/casualty insurance for businesses and professionals. It also underwrites a small amount of Life business through Lloyd's syndicate 3002, which is owned and managed by Catlin. Catlin's underwriting operations are split into six product groups:

- Aerospace, which includes Airline, General Aviation, Airport, Aviation Products and Space/Satellite coverages;

- Casualty, which includes General Liability, Professional Lines, Healthcare Liability, Financial Lines and Motor coverages;
- Energy/Marine, which includes Upstream and Downstream Energy, Onshore Energy and Power, Energy Liability, Marine Hull, Cargo and Specie coverages;
- Property, which includes Property, Binding Authorities, Commercial Combined and Construction & Engineering coverages;
- Reinsurance, which includes Property, Casualty, Marine & Aviation, Agriculture and Specialty classes of reinsurance; and
- Specialty/War and Political Risk, which includes Accident & Health, Life, Contingency, Aquaculture, Equine Livestock, Political Risk, Political Violence and Terrorism, Trade Credit, Product Recall and Kidnap & Ransom/Piracy coverages.

The following table sets out Catlin's gross premiums written by reporting segment for the years ended 31 December 2014, 31 December 2013 and 31 December 2012.

(US dollars in millions)	Gross premiums written		
	2012	2013	2014
London	2,525	2,474	2,763
US	1,045	1,213	1,374
Bermuda	523	577	577
International	879	1,045	1,252
Group total	4,972	5,309	5,966

At 31 December 2014, Catlin had 2,517 employees, including 983 employees in London across four offices, 431 employees in Europe across 18 offices, 390 employees across ten offices in Asia Pacific, 575 employees in the US across 18 offices, 70 employees in Canada across four offices and 68 employees in Bermuda in a single office.

Catlin Shares, each of US\$0.01 par value, are admitted to the premium listing segment of the Official List and depositary interests (each representing one underlying Catlin Share) trade on the London Stock Exchange's main market for listed securities under the symbol "CGL". Catlin's total shareholders' equity amounted to US\$4.0 billion at 31 December 2014 (including US\$590 million of non-controlling interest in preferred stock of consolidated subsidiaries), while total assets exceeded US\$15 billion.

8. Information on XL

XL Group plc, incorporated and domiciled in the Republic of Ireland, is a global insurance and reinsurance business providing property, casualty and specialty products to industrial, commercial and professional firms, insurance companies and other enterprises on a worldwide basis.

XL was founded in 1986 with the formation of EXEL Limited. XL Capital Ltd was formed as a result of the merger of EXEL Limited and Mid Ocean Limited in 1998. In 1990, XL opened its first office outside the Caribbean when XL Insurance Company opened in Dublin, Ireland. In 1999, XL Capital Ltd merged with NAC Re Corp. in a stock merger. In 2001, XL acquired certain Winterthur International insurance operations for its fit for purpose network of international offices and to facilitate XL's global expansion. In July 2010, XL Group plc, a newly formed Irish public limited company and XL Capital Ltd (now known as XLIT Ltd.), an exempted company organised under the laws of the Cayman Islands ("XL-Cayman" or "XLIT"), completed a redomestication transaction in which all the ordinary shares of XL-Cayman were exchanged for all the ordinary shares of XL. As a result, XL-Cayman became a wholly-owned subsidiary of XL.

XL is organised into two operating segments: Insurance and Reinsurance. XL's general investment and financing operations and run-off life operations are reflected in "Corporate and Other".

- **Insurance:** XL's insurance operations provide customised insurance policies for complex corporate risks that may require large limits and are marketed and distributed through a wide variety of local, national and international producers. Large deductibles and self-insured retentions are incorporated into these policies to further manage risk along with

stringent underwriting guidelines. While XL's insurance operations are known for insuring large complex risks, certain of XL's products are targeted to small and mid-size companies and organisations, such as XL's professional liability and program business. XL focuses on those lines of business that XL believes will provide the best return on capital over time.

- **Reinsurance:** This segment provides casualty, property risk, property catastrophe, marine, aviation, treaty and other specialty reinsurance on a global basis with business being written on both a proportional and non-proportional basis and also on a facultative basis. XL's lines of business within the reinsurance segment continue to focus on those that provide the best return on capital. For XL's Reinsurance segment, challenging market conditions and the changing economic environment experienced since 2008 resulted, in certain instances, in a greater emphasis being placed on short-tail lines of business.

The following table sets out XL's gross premiums written by segment for the years ended 31 December 2014, 31 December 2013 and 31 December 2012.

(US dollars in millions)	Gross premiums written		
	2012	2013	2014
Insurance	5,167	5,523	5,976
Reinsurance	2,008	1,894	1,786
Corporate and Other	356	324	333
Group total.....	7,531	7,741	8,095

Through a series of transactions from 2009 through 2014, XL has largely exited the life reinsurance business. Most recently, in May 2014, XL entered into a retrocession transaction with GreyCastle Holdings Ltd. that included the sale of XL Life Reinsurance (SAC) Ltd for US\$570 million in cash.

At 31 December 2014, XL had 4,663 employees.

XL's ordinary shares, with a US\$0.01 par value per share, are listed on the NYSE under the symbol "XL". As at 30 March 2015, being the latest practicable date for obtaining such information, XL had a diluted market capitalisation of US\$9.6 billion.

XL expects to cease share buybacks until after the Effective Date. At that time, XL will re-evaluate its stock buyback programme.

Further information about the Enlarged XL Group and the New XL Shares is set out in XL's Irish Prospectus, which is available on XL's website at www.xlgroup.com and on Catlin's website at www.catlin.com (in each case subject to certain access restrictions), until the Effective Date.

9. XL's financing arrangements in relation to the Offer

Each of Morgan Stanley and Goldman Sachs International, financial advisers to XL, is satisfied that cash resources are available to XL sufficient to enable it to satisfy in full the cash consideration payable to Scheme Shareholders under the terms of the Offer.

While the cash consideration payable by XL under the terms of the Offer is anticipated to be funded by approximately US\$1.25 billion of cash on hand and through the approximately US\$980 million net proceeds of the issuance of the Subordinated Notes, XL is able to rely on commitments to provide £1,600,000,000 of loans to XLIT, a wholly-owned subsidiary of XL, as borrower under the Bridge Facility arranged by Morgan Stanley Senior Funding, Inc. and Goldman Sachs Bank USA (the "Arrangers"), which loans would be lent to XL to fund the cash consideration payable by XL under the terms of the Offer.

On 9 January 2015 (the "Bridge Facility Effective Date"), in connection with the Offer, XLIT, as borrower, XL, X.L. America, Inc., XL Insurance (Bermuda) Ltd, XL Re Ltd, and XL Life Ltd, as guarantors, Morgan Stanley Senior Funding, Inc., as administrative agent, Morgan Stanley Senior Funding, Inc. and Goldman Sachs Bank USA, as lenders entered into a senior unsecured 364-Day Bridge Loan Agreement (the "Bridge Loan Agreement"). On 30 January 2015, the Arrangers assigned a portion of their commitments under the Bridge Facility to Morgan Stanley Bank, N.A., Citibank, N.A., Deutsche Bank AG Cayman Islands Branch, HSBC Bank Bermuda Limited, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Credit Agricole Corporate and Investment Bank, The Royal Bank of

Scotland plc, Lloyds Bank plc, ING Bank N.V., London Branch, Credit Suisse AG, Cayman Islands Branch and BNP Paribas who became additional lenders to the Bridge Facility pursuant to an assignment and assumption agreement of the same date.

Advances under the Bridge Facility will be available on a date after the Bridge Facility Effective Date, subject to satisfaction of certain conditions set forth in the Bridge Loan Agreement (the “Closing Date”). One of the conditions to the lenders’ obligation to fund the Bridge Facility is that the Offer be consummated in all material respects pursuant to the relevant documents provided to the lenders relating to the Offer, without giving effect to any modifications, consents, amendments or waivers that would be materially adverse to the interests of the lenders or the Arrangers, unless such modifications, consents, amendments or waivers are required by the Code Committee (and, if applicable, the Code Expert) in accordance with the terms of the Implementation Agreement, or each of the Arrangers have provided their written consent thereto, and that in the case of any such modifications, consents, amendments or waivers required by the Code Committee that would be materially adverse to the interests of the lenders or the joint lead arrangers, upon the request of either Arranger, XLIT will be required to obtain written confirmation from the Code Expert that the Code Expert concurs with such requirement of the Code Committee. All principal and interest payable under the Bridge Facility will be due on the earlier of (a) the date that is 364 days after the Closing Date or (b) the date on which the maturity of the loans is accelerated in accordance with the terms thereof. The maturity of the loans may be accelerated following the occurrence and continuation of certain events of default, and will be automatically accelerated in the case of certain events of default relating to insolvency or bankruptcy of XLIT Ltd or XL.

Commitments under the Bridge Facility (or, to the extent such commitments are funded, loans outstanding under the Bridge Facility) may be voluntarily reduced (or prepaid) by XLIT without premium or penalty, other than payment of customary breakage costs. Such voluntary reductions, except in certain circumstances, will require cash equal to such reduction to be placed in an escrow account to satisfy “funds certain” requirements for the Offer as required by XL’s financial advisers. Commitments under the Bridge Facility (or, to the extent such commitments are funded, loans outstanding under the Bridge Facility) will be subject to mandatory reduction (or, in the case of loans, mandatory prepayment), by (a) the net cash proceeds of any sale, transfer or other disposition of, or casualty or condemnation event with respect to, assets of XL and its subsidiaries (other than the sale of investments in the ordinary course) to the extent such proceeds are not reinvested, subject to certain exceptions and thresholds, (b) the net cash proceeds of the sale or issuance of debt securities or incurrence of other debt of XL or any of its subsidiaries, subject to certain exceptions and thresholds and (c) the net cash proceeds of the sale or issuance of equity securities or equity-linked securities issued by XL or any of its subsidiaries, subject to certain exceptions and thresholds. Such mandatory commitment reductions, except in certain circumstances, will require cash equal to such reduction to be placed in an escrow account to satisfy “funds certain” requirements for the Offer as required by XL’s financial advisers.

Borrowings under the Bridge Facility will bear interest at an adjusted LIBO rate plus an applicable margin. The applicable margin ranges from 1.125 per cent. to 2.00 per cent. per annum depending on the public debt rating of XLIT then in effect, increasing by 0.25 per cent. (with respect to each level of public debt rating) every 90 days after the Closing Date. The commitments outstanding under the Bridge Facility will be subject to an unused commitment fee at a rate per annum equal to, from the Bridge Facility Effective Date through the date that is 179 days after the Bridge Facility Effective Date, 0.10 per cent., and, thereafter, 0.175 per cent., on the daily average undrawn commitments under the Bridge Facility. In addition, XLIT has agreed to pay a duration fee under the Bridge Facility on the aggregate principal amount of any loans outstanding (i) on the 90th day after the Closing Date equal to 0.50 per cent., (ii) on the 180th day after the Closing Date equal to 0.75 per cent. and (iii) on the 270th day after the Closing Date equal to 1.00 per cent.

The commitments under the Bridge Facility, unless previously terminated, will terminate on the earliest of (i) certain mandatory cancellation events, (ii) the date on which the obligations of XL to pay the cash consideration payable to Scheme Shareholders pursuant to and in accordance with the Implementation Agreement and applicable laws and regulations have been discharged in full, (iii) if the Closing Date has not occurred by then, 11.59 p.m. (New York City time) on the later of (a) 9 October 2015 and (b) in the event that on or before 9 October 2015, the Scheme becomes effective in accordance with its terms (or, to the extent permitted by the Bridge Loan Agreement, a merger (in lieu of the Scheme) becomes effective or a Takeover Offer closes) and XLIT has submitted a borrowing request for bridge loans, then the date that is three business days following the date of

such borrowing request and (iv) the earlier of the date that is 90 days following the Closing Date and the date of consummation of a second step acquisition in the event the Offer is completed pursuant to a Takeover Offer.

The Bridge Loan Agreement contains financial covenants that require XL to maintain a minimum consolidated net worth and a maximum ratio of total consolidated debt to the sum of total consolidated debt plus consolidated net worth, and that require each of XL Insurance (Bermuda) Ltd, XL Re Ltd and XL Re Europe SE to maintain a financial strength rating of no less than “A-” from A.M. Best. The terms of the Bridge Facility also include customary affirmative covenants, negative covenants and events of default. Subsequent to any funding of loans under the Bridge Facility, if an event of default under the Bridge Loan Agreement shall occur and be continuing, the maturity of such loans and all other obligations of XLIT under the Bridge Loan Agreement may be accelerated.

10. Current trading and prospects

10.1 Catlin

Catlin announced its financial results for the year ended 31 December 2014 on 10 February 2015. Those results included:

- a 13 per cent. increase in profit before tax to US\$488 million;
- a 7 per cent. increase in net income to common shareholders to US\$418 million;
- a 16.3 per cent. return on net tangible assets and a 13.1 per cent. ROE;
- net underwriting contribution of US\$991 million;
- a 50.6 per cent. attritional loss ratio;
- an 86.8 per cent. combined ratio; and
- a 12 per cent. increase in gross premiums written to US\$5.97 billion.

Stephen Catlin, Chief Executive, said: “Catlin continued to grow profitably during 2014, which demonstrates that our operating strategy – based on disciplined underwriting and diversification – has successfully differentiated Catlin from many of its peers”.

In its 2014 financial results announcement, Catlin also announced that gross premiums written as at 31 January 2015 had increased by 10 per cent. compared with the corresponding period of 2014.

Since 10 February 2015, Catlin’s trading has progressed in line with expectations.

10.2 XL

XL announced its 2014 fourth quarter and year-end financial results on 2 February 2015. Those results included:

- operating Net Income of US\$293.9 million, or US\$1.12 per share, for the quarter and US\$999.2 million, or US\$3.68 per share, for the full year on a fully diluted basis;
- P&C combined ratio of 84.5% for the quarter, compared to 93.3% in the prior year quarter, and a full year P&C combined ratio of 88.2% compared to 92.5% in the prior year;
- natural catastrophe pre-tax losses net of reinsurance and reinstatement premiums in the quarter of US\$31.7 million, compared to US\$94.3 million in the prior year quarter;
- operating return on average Ordinary Shareholders’ Equity excluding unrealized gains and losses on investments was 13.7% and including unrealized gains and losses on investments was 11.8%, annualized for the quarter, and 11.2% and 10.0%, respectively, for the full year;
- net income attributable to ordinary shareholders and net income attributable to ordinary shareholders excluding the impact of the Life Retrocession Arrangements⁽¹⁾ of US\$139.5 million and US\$350.6 million, respectively, for the quarter and US\$188.3 million and US\$1.2 billion, respectively, for the full year (Note: As a result of the Life Retrocession

(1) On 1 May 2014, XL’s wholly-owned subsidiary XL Insurance (Bermuda) Ltd (“XLIB”), entered into a sale and purchase agreement with GreyCastle Holdings Ltd. (“GreyCastle”) providing for the sale of 100% of the common shares of XLIB’s wholly-owned subsidiary, XL Life Reinsurance (SAC) Ltd (“XLLR”), for US\$570 million in cash. This transaction was completed on 30 May, 2014. As a result of the transaction, XL ceded the majority of its life reinsurance business to XLLR via 100% quota share reinsurance (the “Life Retrocession Arrangements”). The designated investments that support the Life Retrocession Arrangements, which are written on a funds withheld basis (“Life Funds Withheld Assets”), are included within “Total investments available for sale” and “Fixed maturities, trading at fair value” on XL’s balance sheet. Investment results for these assets – including interest income, unrealized gains and losses, and gains and losses from sales – are passed directly to the reinsurer pursuant to a contractual arrangement which is accounted for as a derivative. Net income attributable to ordinary shareholders excluding the impact of the Life Retrocession Arrangements is a non-GAAP financial measure.

Arrangements⁽²⁾, XL's net income is impacted by the gains or losses on the Life Funds Withheld Assets⁽³⁾, with an equal and opposite accounting adjustment in XL's comprehensive income so that there is no effect on XL's book value);

- fully diluted tangible book value per ordinary share of US\$36.79 at 31 December 2014, an increase of US\$2.93, or 8.7%, from 31 December 2013; and
- share buybacks totalled 5.2 million ordinary shares for US\$175.0 million during the quarter.

Chief Executive Officer Mike McGavick said: "XL delivered a very strong 2014 including continued progress in Insurance and an extraordinary year in reinsurance. Many of our results were the best we have achieved in over fifteen years, including our property and casualty combined ratio of 88.2%. Insurance results included a 2014 combined ratio of 94.4%, the best performance since 2007, and a loss ratio of 63.2%. And our reinsurance segment achieved a stellar 73.3% combined ratio, one of its best performances as well. Of course, these results were helped, in part, by one of the lowest catastrophe years we have seen in years. To build on our success, we intend to continue developing and delivering outstanding products and services to our current and new markets, continuing to move this progress forward".

Since 31 December 2014, there have not been any material developments that would negatively impact the Company's operations or financial position.

11. Management, employees and locations

XL has high regard for the skills and experience of the existing management and employees of the Catlin Group. XL has confirmed to the Catlin Board that employees' existing employment rights, including pension rights, will be honoured.

XL believes that the combined business will provide enhanced opportunities for employees from both organisations. XL intends to utilise the following key principles:

- create an organisation that draws upon the talent of both XL's and Catlin's teams; and
- identify roles for certain Catlin senior management team post-integration.

At the most senior levels, key elements of the post-completion organisation and joint integration planning approach have been agreed. Mike McGavick will be Chief Executive Officer of XL. Stephen Catlin will join the board of directors of XL as Executive Deputy Chairman. Peter Porrino will continue as Chief Financial Officer. Greg Hendrick will assume the role of Chief Executive of Reinsurance, assuming responsibility for the combined reinsurance business and leading all alternative capital strategies. Paul Brand, Catlin's Chief Underwriting Officer, will have the position of Chair – Insurance Leadership Team, Chief Underwriting Officer – Insurance, and will have responsibility for capital allocation and purchasing outward reinsurance for the group. Kelly Lyles, currently XL's Head of Professional Insurance will have the position of Deputy Chair – Insurance Leadership Team and Chief Regional Officer – Insurance. Together, Mr. Brand and Ms. Lyles will lead all aspects of Insurance for the combined company and both will report to Mike McGavick. Benjamin Meuli, Catlin's Chief Financial Officer, will assume the role of Chief Investment Officer, with responsibility for determining investment strategy and managing the enterprise investment portfolio. Paul Jardine, Catlin's Chief Operating Officer, will assume the role of Chief Experience Officer, with responsibility for communications and marketing, global claims and distribution strategy. An additional Catlin director who meets applicable independence qualifications and other criteria is also expected to join the board of directors of XL.

To realise the potential benefits of integrating Catlin and XL, XL will consider and evaluate, as part of its overall strategy for the Enlarged XL Group, how best to draw upon the talents of the broader Catlin and XL organisations. It is expected that headcount reductions will be required, although XL has not yet developed specific plans as to how or where such headcount reductions will be implemented. In addition, XL anticipates there will be some consolidation of office locations given the overlapping footprints of Catlin and XL. For the benefit of the combined business, in some instances the Catlin office is likely to be maintained whereas in others the XL office will be maintained. XL and Catlin have established an integration planning team to create an organisation that draws upon the talent of both XL's and Catlin's business and functional teams. The team is led for XL by Myron Hendry, XL's Chief Platform Officer, and for Catlin by Adrian Spieler, Catlin's Chief Administrative Officer, with support from the extended leadership teams on both sides.

(2) As above.

(3) As above.

Recognising their long-term commitment to the combined business and to promote the ongoing success of the Enlarged Group and the successful integration of Catlin and XL:

- Stephen Catlin has agreed to join the board of directors of XL as Executive Deputy Chairman, based in Bermuda, with a base salary of US\$1 million. He will be eligible to participate in XL's discretionary Annual Incentive Plan (AIP) and Long Term Incentive Plan (LTIP), subject to and in accordance with the rules of the relevant plans. Under the AIP, he will be eligible to receive a target annual, discretionary cash bonus of 200 per cent. of base salary, based on individual achievement, functional unit and corporate results. The aggregate annual long-term target value of the awards expected to be made to him under the LTIP is US\$4.5 million, with vesting subject to usual conditions including the achievement of performance targets measured over a three year period. Other benefits are the same as those provided to other members of XL's senior management team in Bermuda. Stephen Catlin's employment contract is terminable by either party on six months' written notice (with XL also entitled to make a payment in lieu of notice).
- Paul Brand has agreed to assume the role of Chair Insurance Leadership Team and Chief Underwriting Officer – Insurance, based in London, with a base salary of £530,997. He will be eligible to participate in XL's discretionary Annual Incentive Plan (AIP) and Long Term Incentive Plan (LTIP), subject to and in accordance with the rules of the relevant plans. Under the AIP, he will be eligible to receive a target annual, discretionary cash bonus of 150 per cent. of base salary and the aggregate annual long-term target value of the awards expected to be made to him under the LTIP is US\$2.5 million. His other benefits will be the same as those provided to him as a member of Catlin's senior management team until such time as they are harmonised with those of XL when he will be eligible for the benefits provided to other members of XL's senior management team in the United Kingdom. Paul Brand's employment contract is terminable by either party on six months' written notice (with XL also entitled to make a payment in lieu of notice).
- Benjamin Meuli has agreed, subject to agreeing the final terms of his contract, to assume the role of Executive Vice President and Chief Investment Officer, based in Zurich, with a base salary of CHF694,346. He will be eligible to participate in XL's discretionary Annual Incentive Plan (AIP) and Long Term Incentive Plan (LTIP), subject to and in accordance with the rules of the relevant plans. Under the AIP, he will be eligible to receive a target annual, discretionary cash bonus of 140 per cent. of base salary and the aggregate annual long-term target value of the awards expected to be made to him under the LTIP is US\$1.2 million. His other benefits will be the same as those provided to him as a member of Catlin's senior management team until such time as they are harmonised with those of XL when he will be eligible for the benefits provided to other members of XL's senior management team in Switzerland. Benjamin Meuli's employment will be terminable by either party on six months' written notice (with XL also entitled to make a payment in lieu of notice).
- Paul Jardine has agreed, subject to agreeing the final terms of his contract, to assume the role of Executive Vice President and Chief Experience Officer, based in the UK, with a base salary of £465,000. He will be eligible to participate in XL's discretionary Annual Incentive Plan (AIP) and Long Term Incentive Plan (LTIP), subject to and in accordance with the rules of the relevant plans. Under the AIP, he will be eligible to receive a target annual, discretionary cash bonus of 100 per cent. of base salary and the aggregate annual long-term target value of the awards expected to be made to him under the LTIP is US\$1.1 million. His other benefits will be the same as those provided to him as a member of Catlin's senior management team until such time as they are harmonised with those of XL when he will be eligible for the benefits provided to other members of XL's senior management team in the UK. Paul Jardine's employment will be terminable by either party on six months' written notice (with XL also entitled to make a payment in lieu of notice).

Stephen Catlin, Paul Brand, Benjamin Meuli and Paul Jardine, in common with other participants in the Catlin Group Limited Performance Share Plan 2004 and the Catlin Group Limited Performance Share Plan 2013, are expected to be granted replacement awards by XL to replace the awards under the 2004 PSP and 2013 PSP that lapse on completion of the Offer. The new awards are expected to be in varying forms and their value is intended to be commensurate with the projected value of the awards lapsing. Stephen Catlin, Paul Brand, Benjamin Meuli and Paul Jardine will also participate in the XL Group plc Executive Severance Plan.

Each of J.P. Morgan Cazenove and Evercore has confirmed to the Board of Catlin that they consider these arrangements with Stephen Catlin and Paul Brand and, subject to agreement of their final terms as set out above, the offers to Benjamin Meuli and Paul Jardine to be fair and reasonable.

XL is in the early stages of discussions with other Catlin executives regarding the terms and conditions of their potential employment within the Enlarged Group. However, no such terms have yet been agreed.

12. Pension schemes

The Catlin Group operates pension schemes in over 15 countries, the principal schemes being the Catlin Group Holdings Ltd Group Personal Pension Plan (UK), the Catlin Inc 401k Profit Sharing Plan (US), the Nonqualified Deferred Compensation Plan of Catlin, Inc. (US), the Capital Accumulator Pension Plan (Bermuda), the Mandatory Provident Fund (Hong Kong and Malaysia), the Central Provident Fund (Singapore), the Unterstintzungskasse (Germany), the AHV Pensionskasse (Switzerland) and the Defined Contribution Pension Plan (Canada). These provide benefits on a defined contribution basis.

The Fenchurch Pension Scheme, which is a defined benefit scheme for which the Catlin Group assumed liabilities in connection with the acquisition of Wellington Underwriting plc in 2006, was closed to new members in 1993. Its membership consists of only pensioners and deferred members. Projected benefit obligations as at 31 December 2014 were \$29 million and fair value of plan assets was \$34 million.

13. Catlin Share Schemes

A summary of the effect of the Offer on the Catlin Share Schemes can be found below. Further details of the effect of the Offer on the Catlin Share Schemes will be set out in separate letters to be sent to participants shortly after the date of this Scheme Document.

The Catlin Group Limited Performance Share Plan 2004 (the “2004 PSP”) and the Catlin Group Limited Performance Share Plan 2013 (the “2013 PSP”)

All awards granted under both the 2004 PSP and the 2013 PSP will vest, and all awards granted in the form of options will be exercised, on the date of the Court Hearing as described below. Any awards granted prior to 2015 and which vest on the date of the Court Hearing will vest on the basis that 100% of the performance conditions have been fulfilled. Any awards granted during 2015 will vest on the basis that 50% of performance conditions have been fulfilled. All awards regardless of the year of grant will also be pro-rated for time based on the proportion of the performance period that has elapsed on the date of the Court Hearing. Awards will be settled either by transfer of Catlin Shares or a cash payment equal to the market value of the Catlin Shares that would otherwise have been received (a “cash equivalent”).

XL intends to grant replacement awards to participants in the 2004 PSP and 2013 PSP who remain employed in the Enlarged XL Group, to replace the awards under those plans that lapse on completion of the Offer. The new awards are expected to be in varying forms and their value is intended to be commensurate with the projected value of the awards lapsing.

The Catlin Group Limited Incentive Share Plan (the “ISP”)

All awards under the ISP will vest, and all awards granted in the form of options will be exercised, on the date of the Court Hearing as described below. All awards will be pro-rated for time based on the proportion of the performance period that has elapsed on the date of the Court Hearing. Awards will be settled either by transfer of Catlin Shares or a payment of a cash equivalent.

XL intends to grant replacement awards to participants in the ISP who remain employed in the Enlarged XL Group, to replace the awards under those plans that lapse on completion of the Offer. The new awards are expected to be in varying forms and their value is intended to be commensurate with the projected value of the awards lapsing.

Catlin Group Limited 2014 Deferred Bonus Share Plan (the “DBSP”)

All awards under the DBSP will vest, and all awards granted in the form of options will be exercised on the date of the Court Hearing. Awards will be settled either by the transfer of Catlin Shares or a payment of a cash equivalent.

Catlin Group Limited Savings-Related Share Option Scheme (the “Sharesave”)

Holders of options under the Sharesave will be able to exercise their options on the date of the Court Hearing to the extent of their savings under the relevant savings contract. It is then intended to terminate the Sharesave with effect from the Effective Date. As individuals will not be able to continue saving, XL has also agreed that any participating employees who hold options under the Sharesave as it applies in the UK and who remain in employment six months after the Effective Date will receive a cash payment from XL. The amount to be paid to such participant will be equal to the additional gain that the participant would have made had he continued saving at the rate of his current committed savings for those six months, based on the difference in the applicable option price and the most recent Catlin Share price at the Effective Date.

Catlin Group Limited US Employee Stock Purchase Plan effective 14 May 2008 (the “ESPP”)

It is intended that Catlin will nominate the date of the Court Hearing as the purchase date and participants will be able to purchase Catlin Shares with their aggregate monthly contributions as at that date. It is then intended to terminate the ESPP on or by the Effective Date.

Individual retention and buy-out share awards

XL will adopt all one-off retention or buy-out share awards. These will be settled on the dates set out in the individuals’ retention and buy-out share award letters, by an award of equivalent value.

Employee Benefit Trust

Catlin Shares held in the Catlin Group Limited Employee Benefit Trust will be used to satisfy awards which vest and/or are exercised under the Catlin Share Schemes.

14. Conditions and shareholder meetings

The Offer (and accordingly the Scheme) is subject to the Conditions and to the further terms set out in full in Part Three of this Scheme Document. The Conditions (some of which may be waived by XL) include:

- certain regulatory clearances having been received, on terms reasonably satisfactory to XL, from the PRA, Lloyd’s, the Bermuda Monetary Authority (which has already been obtained), FINMA, and from insurance regulators in Delaware and Texas;
- certain anti-trust clearances having been received, on terms reasonably satisfactory to XL, from the European Commission, and in the United States (which has already been obtained) and Turkey (which has already been obtained);
- the approval of the Scheme at the Court Meeting to be held at 11.00 a.m. (Bermuda time) on 21 April 2015, which approval requires a majority in number representing not less than three-fourths of the voting rights of the Scheme Shareholders present and voting at the Court Meeting (either in person or by proxy); and
- the approval by Catlin Shareholders of the special resolution to be proposed at the Special General Meeting to be held at 11.15 a.m. (Bermuda time) on 21 April 2015 (or as soon thereafter as the Court Meeting has concluded or been adjourned), which approval requires not less than three-quarters of the votes cast by holders of Catlin Shares present and voting at the Special General Meeting (either in person or by proxy).

Once the Scheme has been approved at the Court Meeting and the special resolution has been passed at the Special General Meeting, and the other Conditions have been satisfied (or, where applicable, waived by XL) the Scheme must be sanctioned by the Court. Catlin will apply for the Court to sanction the Scheme only when all other Conditions have been satisfied (or, where applicable, waived), other than those Conditions that can only be satisfied immediately before, at, or after the Court Hearing. All Catlin Shareholders are entitled to attend the Court Hearing in person or through representation to support or oppose the sanction of the Scheme.

The Scheme can only become effective if all Conditions to the Scheme, including the shareholder approvals and the sanction of the Court, have been satisfied and obtained (or, where applicable, waived by XL). The Scheme will become effective upon a copy of the court order sanctioning the Scheme being delivered to the Registrar of Companies. Once the Scheme becomes effective, it will be binding on all Scheme Shareholders, whether or not they attended or voted at the Court Meeting or Special General Meeting (and if they attended, whether or not they voted in favour).

It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of the opinion of Scheme Shareholders. You are

therefore strongly urged to complete, sign and return your Forms of Proxy (if you hold Catlin Shares in certificated form) or Forms of Direction (if you hold Catlin Shares in uncertificated form), as soon as possible. Alternatively, holders of Catlin Shares in uncertificated form may submit voting instructions electronically through CREST.

15. Actions to be taken

Details of the actions to be taken by Catlin Shareholders in order to vote on the Offer and to make elections under the Mix and Match Facility are set out in the section headed “ACTIONS TO BE TAKEN” starting on page 9 of this Scheme Document.

16. Catlin ADR Holders

Holders of Catlin ADRs who wish to vote at the Court Meeting or Special General Meeting, or to make elections under the Mix and Match Facility, may contact BNY Mellon (the ADR depositary) in order to withdraw the Catlin Shares underlying the Catlin ADRs in sufficient time to be entered on Catlin’s register of members by the Voting Record Time. In order to do so, holders of Catlin ADRs will need to surrender the American Depositary Shares (ADSs) evidencing the Catlin Shares in respect of which they wish to vote and/or to make an election under the Mix and Match Facility to BNY Mellon, as well as pay any fees, taxes or governmental charges in connection with such withdrawal, and otherwise comply with the terms and conditions of the deposit agreement governing the ADSs. Holders of Catlin ADRs must allow sufficient time for the cancellation of their ADSs and delivery of the underlying Catlin Shares, with valid delivery instructions.

If you have any questions relating to the surrender of Catlin ADRs and delivery of Catlin Shares, please call The Bank of New York Mellon at +1 212 815 2721 between 9.00 a.m. and 5.00 p.m. (New York time), or +353 1900 3465 between 9.00 a.m. and 5.00 p.m. (Dublin time) Monday to Friday (excluding public holidays in the US or Ireland) or email drsettlements@bnymellon.com. Please note that operators cannot provide advice on the merits of the Scheme or the Offer or give financial, tax, investment or legal advice.

17. Overseas Shareholders

Overseas Shareholders should refer to Part Six of this Scheme Document, which contains important information relevant to such holders.

18. Taxation

Your attention is drawn to Part Seven of this Scheme Document, which sets out certain matters relating to the taxation treatment of Scheme Shareholders, in respect of the Scheme, in Bermuda, the UK, the US and the Republic of Ireland. Although this Scheme Document contains certain tax-related information, if you are in any doubt about your own tax position or you are subject to taxation in any jurisdiction other than Bermuda, the UK, the US or the Republic of Ireland, you should consult an appropriately qualified independent professional adviser immediately.

19. Risk factors

Scheme Shareholders should consider fully the risk factors associated with the Enlarged XL Group, the New XL Shares and the Offer. Your attention is drawn to the “Risk Factors” section of XL’s Irish Prospectus, which contains further information on the Enlarged XL Group and the New XL Shares. XL’s Irish Prospectus is also available on XL’s website at www.xlgroup.com and on Catlin’s website at www.catlin.com (in each case subject to certain access restrictions), until the Effective Date.

20. Recommendation

The Catlin Directors, who have been so advised by J.P. Morgan Cazenove and Evercore, consider the terms of the Offer to be fair and reasonable. In providing their advice to the Catlin Directors, J.P. Morgan Cazenove and Evercore have taken into account the commercial assessments of the Catlin Directors.

Barclays has also provided financial advice to the Catlin Directors in relation to the Offer.

The Catlin Directors believe that the terms of the Offer (including the Scheme) are in the best interests of Catlin Shareholders as a whole and unanimously recommend that Catlin Shareholders vote in favour of the Scheme at the Court Meeting and in favour of the special resolution to be

proposed at the Special General Meeting. In addition, the Catlin Directors have irrevocably undertaken in favour of XL to vote or procure votes in favour of such resolutions, in respect of 8,423,502 Catlin Shares, in aggregate, representing approximately 2.29 per cent. of the issued share capital of Catlin on 31 March 2015 (being the latest practicable date before the date of this Scheme Document).

Yours faithfully,

John Barton
Chairman
Catlin Group Limited

PART TWO: EXPLANATORY STATEMENT
(In compliance with section 100 of the Companies Act 1981)

J.P. Morgan Limited
Registered office:
25 Bank Street
London
E14 5JP
Incorporated in England and Wales with registered number 248609

Evercore Partners International LLP
Registered office:
15 Stanhope Gate
London
W1K 1LN
Registered in England with registered number OC357957

2 April 2015

To Catlin Shareholders and, for information only, to holders of options or awards under the Catlin Share Schemes

Dear Catlin Shareholder,

RECOMMENDED OFFER BY XL FOR CATLIN

1. Introduction

On 9 January 2015, the Boards of Catlin and XL announced that they had agreed the terms of a recommended offer by XL for Catlin.

The Catlin Directors have been advised by J.P. Morgan Cazenove and Evercore in connection with the Offer. We have been authorised by the Catlin Directors to write to you to explain the terms of the Offer and the Scheme and to provide you with other relevant information.

Your attention is drawn to the letter from the Chairman of Catlin set out in Part One of this Scheme Document, which forms part of this explanatory statement. The letter contains, among other things, the background to and the reasons for the unanimous recommendation by the Catlin Directors that Catlin Shareholders vote in favour of the Scheme at the Court Meeting and in favour of the special resolution to be proposed at the Special General Meeting.

Your attention is drawn to XL's Irish Prospectus, which contains further information on the Enlarged XL Group and the New XL Shares. This Scheme Document should be read in conjunction with XL's Irish Prospectus, which is available on XL's website at www.xlgroup.com and on Catlin's website at www.catlin.com (in each case subject to certain access restrictions), until the Effective Date. XL's Irish Prospectus has been prepared and published by XL in accordance with applicable law and regulation in the Republic of Ireland and constitutes an approved prospectus in the United Kingdom for the purpose of section 85 of the Financial Services and Markets Act 2000.

The Scheme is set out in full in Part Four of this Scheme Document. Your attention is drawn to Part Eight of this Scheme Document which contains certain additional information and to Part Six of this Scheme Document which contains certain important information relevant to Overseas Shareholders. These form part of this explanatory statement.

If you wish to vote in favour of the Offer, please take the actions described in the section headed "ACTIONS TO BE TAKEN" starting on page 9 of this Scheme Document.

2. Summary of the terms of the Offer and the Scheme

2.1 The Offer

Under the terms of the Offer and the Scheme, which is subject to the Conditions and to the further terms set out in full in Part Three of this Scheme Document, Scheme Shareholders will receive:

for each Catlin Share 388 pence in cash
and
0.130 New XL Share

On 10 February 2015, the Catlin Board declared the 2014 Final Dividend of 22 pence per Catlin Share, which was paid on 19 March 2015 to holders of Catlin Shares of record on 20 February 2015. In addition, following completion of the disposal of Catlin's investment in Box Innovation Group Limited (trading as "insurethebox") ("ITB") as announced on 31 March 2015, the Catlin Board has declared the ITB Special Dividend of 11.7 pence per Catlin Share, payable on 24 April 2015 to holders of Catlin Shares of record on 10 April 2015 (the "ITB Special Dividend").

The Offer is to be implemented by way of a two-step, integrated process comprising a court-sanctioned scheme of arrangement under section 99 of the Companies Act, followed immediately by the merger of Catlin with and into XL Sub (such that XL Sub is the surviving company) under section 104H of the Companies Act. XL Sub is a wholly owned subsidiary of XL Group incorporated in Bermuda for the purpose of completing the Offer.

2.2 The Mix and Match Facility

Under the terms of the Scheme, Catlin Shareholders (except certain Overseas Shareholders) are also being offered the opportunity, under the Mix and Match Facility, to elect to vary the proportions of cash consideration and New XL Shares they receive in respect of their holdings of Scheme Shares, subject to off-setting elections made by other Scheme Shareholders and so that the total cash consideration to be paid and the total number of New XL Shares to be issued by XL pursuant to the Scheme, is not varied.

Elections under the Mix and Match Facility may be made on the following basis:

for every 388 pence in cash 0.15635 New XL Share
OR
for every 0.130 New XL Shares 322.61 pence in cash

The basis for making elections under the Mix and Match Facility has been determined with reference to the Closing Price per XL Share of US\$36.80 and the exchange rate of US\$1.4829:£1 on 31 March 2015 (being the latest practicable date before the date of this Scheme Document).

Elections may only be made in respect of whole numbers of Scheme Shares. Subject to that, a Scheme Shareholder may make an election in respect of part of its holding of Scheme Shares, or different Elections in respect of different parts of its holding of Scheme Shares.

Irrespective of the number of Scheme Shareholders who elect for additional cash or additional New XL Shares under the Mix and Match Facility, the total cash consideration to be paid and the total number of New XL Shares to be issued by XL pursuant to the Scheme, will not be varied. Accordingly, to the extent that elections cannot be satisfied in full because there are insufficient off-setting elections, they will be scaled down on a *pro rata* basis. Therefore, Scheme Shareholders who elect to receive additional cash or additional New XL Shares under the Mix and Match Facility will not know the exact amount of additional cash or number of additional New XL Shares they are entitled to receive, until settlement of the consideration under the Offer. An announcement will be made through a Regulatory Information Service after the Scheme becomes effective, concerning the extent to which elections under the Mix and Match Facility have been satisfied.

The Mix and Match Facility is not extended to Overseas Shareholders with a registered address in a Restricted Jurisdiction, or whom Catlin or XL reasonably believes to be resident or incorporated in, or a citizen of, a Restricted Jurisdiction.

Further information about the Mix and Match Facility is provided in Part Nine of this Scheme Document.

2.3 *Conditions to the Offer*

The Offer (and, accordingly, the Scheme) is subject to the Conditions and to the further terms set out in full in Part Three of this Scheme Document. The Conditions (some of which may be waived by XL) include:

- the approval of the Scheme by Catlin Shareholders at the Court Meeting, which approval requires a majority in number representing not less than three-fourths of the voting rights of the holders of the Catlin Shares (or the relevant class or classes thereof, if applicable) present and voting at the Court Meeting (either in person or by proxy);
- the approval by Catlin Shareholders of the special resolution to be proposed at the Special General Meeting, which approval requires not less than three-quarters of the votes cast by holders of Catlin Shares present and voting at the Special General Meeting (either in person or by proxy);
- the Court Meeting and the Special General Meeting being held no later than 13 May 2015 (or such later date as may be agreed between XL and Catlin);
- certain regulatory clearances having been received, on terms reasonably satisfactory to XL, from the PRA, Lloyd's, the Bermuda Monetary Authority (which has already been obtained), FINMA, and from insurance regulators in Delaware, Texas and (if applicable) New York;
- certain anti-trust clearances having been received, on terms reasonably satisfactory to XL, from the European Commission, and in the United States (which has already been obtained) and Turkey (which has already been obtained);
- the Court Hearing being held no later than the day that is 22 days after the date on which the Court Hearing is first scheduled (which first scheduled date can be determined only after the last of the Clearances has been obtained) and may or may not be 29 April 2015) (or such later date as may be agreed between XL and Catlin);
- the sanction of the Scheme by the Court; and
- the Scheme having become effective on or before 9 October 2015 or such later date as Catlin and XL may agree (and, if required, the Court may allow).

All Catlin Shareholders are entitled to attend the Court Hearing in person or through representation to support or oppose the sanction of the Scheme.

The Scheme can only become effective if all Conditions to the Scheme, including the shareholder approvals and the sanction of the Court, have been satisfied and obtained (unless, where applicable, the relevant Condition is capable of being waived and is waived). The Scheme will become effective upon a copy of the court order sanctioning the Scheme being delivered to the Registrar of Companies. Once the Scheme becomes effective, it will be binding on all Scheme Shareholders, whether or not they attended or voted at the Court Meeting or Special General Meeting (and if they attended, whether or not they voted in favour).

2.4 *The Scheme*

The Scheme is set out in full in Part Four of this Scheme Document. The material provisions of the Scheme are summarised below.

2.4.1 *Reclassification of the Scheme Shares*

The Scheme involves the reclassification of the Scheme Shares, so that each Scheme Share is reclassified into:

- (a) one class A common share of par value 1 cent each ("**A Share**"), in circumstances where that Scheme Share is one in relation to which a valid Cash Election has been made and accepted under the Mix and Match Facility, in accordance with the Scheme; or
- (b) one class B common share of par value 1 cent each ("**B Share**"), in circumstances where that Scheme Share is one in relation to which a valid Share Election has been made and accepted under the Mix and Match Facility, in accordance with the Scheme; or
- (c) one class C common share of $\frac{1}{2}$ cent each ("**C Share**") and one class D common share of $\frac{1}{2}$ cent each ("**D Share**"), in circumstances where that Scheme Share is one in relation to which no valid Election has been made (or an Election is deemed not to have been made) under the Mix and Match Facility, in accordance with the Scheme.

The A Shares, B Shares, C Shares and D Shares resulting from such reclassification will rank equally as if they were the same class of shares in all respects, save that in accordance with and subject to the provisions of the Scheme and the Bye-Laws (as amended pursuant to the Scheme):

- (i) each A Share shall confer upon its holder the right to receive, upon the cancellation of such A Share pursuant to the Scheme, 710.61 pence in cash;
- (ii) each B Share shall confer upon its holder the right to receive, upon the cancellation of such B Share pursuant to the Scheme, 0.28635 of a New XL Share;
- (iii) each C Share shall confer upon the holder thereof the right to receive, upon the cancellation of such C Share pursuant to the Scheme, 388 pence in cash; and
- (iv) each D Share shall confer upon the holder thereof the right to receive, upon the cancellation of such D Share pursuant to the Scheme, 0.130 of a New XL Share.

The table below shows the possible outcomes for a Scheme Shareholder who holds one Scheme Share and, pursuant to the Mix and Match Facility, validly elects to receive all cash, all New XL Shares or does not make (or it is deemed not to have made) any valid election under the Mix and Match Facility:

Election	Cash	New XL Shares
Cash Election	710.61 pence	—
Share Election	—	0.28635
No Election	388.0 pence	0.1300

The Scheme amends the Bye-Laws to set out the rights of the A Shares, B Shares, C Shares and D Shares.

2.4.2 Cancellation of A Shares, B Shares, C Shares and D Shares

Contingent and immediately following upon the reclassification of the Scheme Shares, the share capital of Catlin will be reduced by the cancellation of all the A Shares, B Shares, C Shares and D Shares. Simultaneously and contingent upon this cancellation taking effect, the resulting reserve arising in Catlin's books of account will be capitalised and applied in paying up in full and at par such number of new common shares of 1 cent each in the share capital of Catlin as have an aggregate par value equal to the aggregate par value of the cancelled A Shares, B Shares, C Shares and D Shares. Such new common shares will be allotted and issued by Catlin to XL or its nominee, credited as fully paid. As a result, Catlin will become a direct, wholly-owned subsidiary of XL.

In consideration for the cancellation of all of their A Shares, B Shares, C Shares and D Shares, and the issue of the corresponding number of new common shares to XL or its nominee, Scheme Shareholders will be entitled to receive the relevant amount of cash or number of New XL Shares set out above at sub-paragraphs (i)-(iv) of paragraph 2.4.1 above.

2.4.3 Fractional entitlements

Fractions of New XL Shares will not be allotted and the entitlement of Scheme Shareholders will be rounded down to the nearest whole number of New XL Shares. All fractions of New XL Shares to which Scheme Shareholders would otherwise have been entitled will be aggregated, rounded down to the nearest whole number of New XL Shares, allotted and issued to a person appointed by XL, and sold in the market following the Effective Date and the net proceeds of such sale (after the deduction of all expenses and commissions, including any amounts in respect of value added tax payable thereon) will be converted to sterling and be paid by XL to the person(s) entitled thereto in due proportions, rounded down to the nearest whole penny. Fractions of a penny will not be paid and any fractional entitlement to cash will be rounded down to the nearest whole penny.

2.4.4 Dividends

The Scheme provides that notwithstanding the reclassification of the Scheme Shares into A Shares, B Shares, C Shares and D Shares, and the subsequent cancellation and extinguishment of the A Shares, B Shares, C Shares and D Shares, Scheme Shareholders will retain any right they may have with respect to the ITB Special Dividend.

2.4.5 Mandates

The Scheme provides that each mandate relating to the payment of dividends on any Scheme Shares, as well as any communication preferences and all other instructions given (or deemed to have been given) to Catlin by Scheme Shareholders in certificated form in force at the Scheme Record Time relating to holdings of Scheme Shares shall, unless and until revoked or amended by the Scheme Shareholder concerned and unless inconsistent with any mandates and instructions to XL in respect of existing holdings of XL Shares, be deemed from the Effective Date to be valid and effective mandates and instructions to XL in relation to the New XL Shares issued to such Scheme Shareholder in certificated form, and who receive New XL Shares through the Computershare nominee service (terms and conditions are set out in Appendix 2 of this Scheme Document).

2.4.6 Effective Date and governing law

The Scheme is governed by the laws of Bermuda and is subject to the exclusive jurisdiction of the Courts of Bermuda. The Scheme will become effective when a copy of the court order sanctioning the Scheme is delivered to the Registrar of Companies in Bermuda for registration. Unless the Scheme has become effective on or before 9 October 2015, or such later date, if any, as Catlin and XL may agree and the Court may allow, the Scheme will never become effective.

2.5 *Catlin Shares allotted after the Special General Meeting*

As part of the special resolution to be proposed at the Special General Meeting, it is proposed to amend Catlin's Bye-Laws to ensure that any Catlin Shares allotted under the Catlin Share Schemes or otherwise (other than to any member of the XL Group or their respective nominees) between the date of the Special General Meeting and the Scheme Record Time will be subject to the Scheme. It is also proposed to amend Catlin's Bye-Laws so that any Catlin Shares allotted to any person (other than to any member of the XL Group or their respective nominees) at or after the Scheme Record Time will be acquired by XL on the same terms as under the Scheme (but, for the avoidance of doubt, without any ability for the holder to make an election under the Mix and Match Facility). This will avoid any person being left with Catlin Shares after dealings in such shares have ceased on the London Stock Exchange (which is expected to occur at the close of business on the business day before the date of the Court Hearing).

2.6 *The Merger*

Immediately after the Scheme becomes effective, Catlin will merge with and into XL Sub (such that XL Sub is the surviving company). The Catlin Board and the board of directors of XL have approved the merger and Catlin, XL and XL Sub have entered into the Merger Agreement. XL, as sole shareholder of XL Sub, has approved the merger and the Merger Agreement and, immediately following the Scheme becoming effective, XL, as sole shareholder of Catlin, will approve the merger and the Merger Agreement.

3. Offer-related arrangements

XL and Catlin have entered into four agreements regulating their conduct in relation to the Offer. Summaries of these agreements are set out in paragraph 13 of Part Eight of this Scheme Document. Copies of the agreements have been published on Catlin's website at www.catlin.com (in each case subject to certain access restrictions).

4. Financial effects of the Offer

The following table shows, for illustrative purposes only, and on the bases and assumptions set out in the notes below, the financial effects of the Offer on capital value and income for a holder of 1,000 Catlin Shares if the Scheme becomes effective. Column (A) compares the market value of XL Shares on 16 December 2014 (being the last dealing day before the commencement of the offer period) with the market values of Catlin Shares on the same date. Column (B) compares the market value of XL Shares on 31 March 2015 (the latest practicable date before the date of this Scheme Document) with the market value of Catlin Shares on the same date. It assumes that no election is made under the Mix and Match Facility.

	(A)	(B)
Increase in capital value under the Offer		
Market value of 130 XL Shares ⁽¹⁾	£2,889	£3,226
Cash payment	£3,880	£3,880
Cash payment (2014 Final Dividend).....	£220	£220
Total value of consideration in respect of 1,000 Catlin Shares	£6,989	£7,326
Less: Market value of 1,000 Catlin Shares ⁽²⁾	£5,820	£7,095
Increase in capital value	£1,169	£231
<i>Percentage difference</i>	<i>20.1%</i>	<i>3.3%</i>
Increase in gross income under the terms of the Offer		
Gross annual dividend income from 130 XL Shares ⁽³⁾	£56	£56
Gross income from reinvestment of cash payment ⁽⁴⁾	£73	£65
Total gross income under the terms of the offer for 1,000 Catlin Shares	£129	£121
Gross dividend income from 1,000 Catlin Shares ⁽⁵⁾	£325	£325
Increase in gross income	£(196)	£(204)
<i>Percentage difference</i>	<i>(60.3)%</i>	<i>(62.9)%</i>

Notes:

- (1) The market value of XL Shares is based on the Closing Price of:
 - (A) US\$35.01 per share on 16 December 2014 (being the last dealing day before the commencement of the offer period) and the exchange rate of US\$1.5754:£1 on that date; and
 - (B) US\$36.80 per share on 31 March 2015 (being the latest practicable date before the date of this Scheme Document) and the exchange rate of US\$1.4829:£1 on that date.
- (2) The market value of Catlin Shares is based on the Closing Price of:
 - (A) 582 pence per share on 16 December 2014 (being the last dealing day before the commencement of the offer period); and
 - (B) 710 pence per share on 31 March 2015 (being the latest practicable date before the date of this Scheme Document).
- (3) The gross dividend income from 130 New XL Shares is based on aggregate gross dividends of US\$0.64 per XL Share paid in respect of the financial year ended 31 December 2014 and the exchange rate of US\$1.4829:£1 on 31 March 2015 (being the latest practicable date before the date of this Scheme Document).
- (4) The income on the cash payment has been calculated on the assumption that the cash is reinvested for a period of 12 months to yield approximately:
 - (i) 1.78 per cent. per annum, being the yield shown by UK Gilts of ten-year maturities on 16 December 2014 (being the last dealing day before the commencement of the offer period), as published by the Financial Times; and
 - (ii) 1.58 per cent. per annum, being the yield shown by UK Gilts of ten-year maturities on 31 March 2015 (being the latest practicable date before publication of this Scheme Document).
- (5) The gross dividend from 1,000 Catlin Shares is based on aggregate gross ordinary dividends of £0.33 in respect of the year ended 31 December 2014.

No account has been taken of any liability to taxation of a Catlin Shareholder or a XL Shareholder and no account has been taken of any fractional entitlements to XL Shares.

5. Court Meeting and Special General Meeting

The Scheme requires the approval of Scheme Shareholders at the Court Meeting and the passing of the special resolution by Catlin Shareholders at the separate Special General Meeting, both of which will be held on 21 April 2015 at 5th Floor, Washington House, 16 Church Street, Hamilton HM11, Bermuda. The Court Meeting will start at 11.00 a.m. (Bermuda time) on that date and the Special General Meeting at 11.15 a.m. (Bermuda time) on that date (or as soon thereafter as the Court Meeting has concluded or been adjourned).

Notices of both the Court Meeting and the Special General Meeting are set out at the end of this Scheme Document. Entitlement to attend and vote at these meetings, and the number of votes which may be cast thereat, will be determined by reference to the register of members of Catlin at the Voting Record Time.

If the Scheme becomes effective, it will be binding on all Scheme Shareholders, whether or not they attended or voted at the Court Meeting or the Special General Meeting (and, if they voted, whether they voted for or against the Scheme and the special resolution).

Neither XL nor any member of the XL Group currently holds any interest in Catlin Shares. Any Catlin Shares in which XL or any member of the XL Group may acquire an interest prior to the Court Meeting or the Special General Meeting are not Scheme Shares and, therefore, no member

of the XL Group (or their nominees) is entitled to vote at the Court Meeting in respect of the Catlin Shares held or acquired by it and will not exercise (or cause or permit to be exercised) the voting rights attaching to these Catlin Shares at the Special General Meeting. Any such member of the XL Group which acquires Catlin Shares will undertake to be bound by the Scheme.

5.1 Court Meeting

The Court Meeting has been convened for 11.00 a.m. (Bermuda time) on 21 April 2015 to enable the Scheme Shareholders who are registered as members of Catlin at the Voting Record Time to consider and, if thought fit, approve the Scheme. At the Court Meeting, voting will be by poll and each member present in person or by proxy will be entitled to one vote for each Scheme Share held at the Voting Record Time. The approval required at the Court Meeting is a majority in number representing not less than three-fourths of the voting rights of the holders of the Scheme Shares present and voting at the Court Meeting (either in person or by proxy).

As at 31 March 2015 (being the latest practicable date before the date of this Scheme Document), the Depositary is the registered holder of 364,027,736 Common Shares constituting 98.89 per cent. of Catlin's issued share capital. The Depositary will vote the Catlin Shares held by it, both at the Court Meeting and the Special General Meeting, solely in accordance with the instructions received by it from registered holders of depositary interests representing Catlin Shares. Provided that a request for appointment is received in sufficient time, the Depositary will also permit registered holders of depositary interests to attend and vote at the Court Meeting and Special General Meeting, by appointing such registered holders of Depositary Interests as its corporate representative in relation to the relevant underlying Catlin Shares. In determining whether the Scheme has been approved by a majority in number of the Scheme Shareholders present and voting at the Court Meeting in person or by proxy, it is expected that the Court will count votes cast for and against the Scheme by the same Scheme Shareholder (including the Depositary in its capacity as Scheme Shareholder) but in respect of different Scheme Shares comprised in its holding, as if they had been cast by separate Scheme Shareholders (that is, one vote for and one vote against the Scheme). The Chairman of the Court Meeting will also report to the Court the number of the holders of Depositary Interests instructing votes to be cast for and against the Scheme.

It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of the opinion of Scheme Shareholders. You are therefore strongly urged to complete, sign and return your Forms of Proxy (if you hold Catlin Shares in certificated form) or Forms of Direction (if you hold Catlin Shares in uncertificated form), as soon as possible. Alternatively, holders of Catlin Shares in uncertificated form may submit voting instructions electronically through CREST.

5.2 Special General Meeting

The Special General Meeting has been convened for 11.15 a.m. (Bermuda time) on 21 April 2015 (or as soon thereafter as the Court Meeting has concluded or been adjourned) to consider and, if thought fit, pass a special resolution to:

- (A) authorise the Catlin Directors to take all actions as they may consider necessary or appropriate to give effect to the Scheme;
- (B) approve the reclassification (and, where applicable, subdivision) of the Scheme Shares in the manner described in paragraph 2.4.1 of this Part Two and amend the Bye-Laws to set out the rights attaching to the A Shares, B Shares, C Shares and D Shares, as provided in the Scheme;
- (C) approve the cancellation of the Scheme Shares and subsequent issue of new Catlin Shares to XL (or its nominee(s)) in accordance with the Scheme; and
- (D) amend the Bye-Laws in the manner described in paragraph 2.5 of this Part Two.

At the Special General Meeting, voting will be by way of a poll and each member present in person or by proxy will be entitled to one vote for each Catlin Share held at the Voting Record Time. To be passed, the special resolution requires a vote in favour by not less than three-quarters of the votes cast in person or by proxy at the Special General Meeting.

6. The Catlin Directors and the effect of the Scheme on their interests

The names of the Catlin Directors and details of their interests in Catlin Shares and XL Shares are set out in Part Eight of this Scheme Document.

In common with the other participants in the Catlin Share Schemes, and as described in paragraph 13 of Part One of this Scheme Document, the Catlin Directors will be able to exercise their options and receive shares under their awards.

The Catlin Directors may be subject to certain restrictions under US federal securities laws on the resale of New XL Shares received pursuant to the Scheme by reason of their being “affiliates” of Catlin.

On the Effective Date, Stephen Catlin will join the board of directors of XL as Executive Deputy Chairman. An additional Catlin director who meets applicable independence qualifications and other criteria is also expected to join the board of directors of XL.

Save as set out above, the effect of the Scheme on the interests of the Catlin Directors does not differ from its effect on the like interests of any other Catlin Shareholder.

7. Listings, dealings and settlement

7.1 *Delisting of Catlin Shares*

The last day of dealings in, and registration of transfers of, Catlin Shares will be the business day immediately prior to the date of the Court Hearing, following which Catlin Shares will be suspended from the Official List and from the London Stock Exchange’s main market for listed securities.

Prior to the Effective Date, it is intended that applications will be made to the London Stock Exchange for Catlin Shares to cease to be admitted to trading on its main market for listed securities, and to the UKLA for the listing of Catlin Shares on the Official List to be cancelled. It is expected that the cancellation of admission and listing of the Catlin Shares will take effect from 8.00 a.m. (London time) on the business day following the Effective Date.

On the Effective Date, share certificates in respect of Scheme Shares held in certificated form will cease to be valid documents of title and should be destroyed or, at the request of Catlin, delivered up to Catlin, or to any person appointed by Catlin to receive the same.

7.2 *Listing and dealings in New XL Shares*

The New XL Shares to be issued pursuant to the Scheme will be issued credited as fully paid. The New XL Shares will rank *pari passu* in all respects with the existing XL Shares in issue on the Effective Date, save that they will not participate in any dividend payable by XL with reference to a record date prior to the Effective Date.

Applications will be made for all the New XL Shares to be admitted to trading on the New York Stock Exchange and the Bermuda Stock Exchange. It is expected that, subject to the Scheme becoming effective, the listing of the New XL Shares will become effective and that dealings will commence at 8.00 a.m. (New York time) on the business day (in New York) following the Effective Date. The New XL Shares will not be admitted to the Official List in the United Kingdom or to trading on any stock exchange in the United Kingdom or any other stock exchange save as stated.

7.3 *Settlement*

Subject to the Scheme becoming effective (and except as provided in Part Six of this Scheme Document in relation to certain Overseas Shareholders), settlement of the consideration to which any Scheme Shareholder is entitled under the Scheme will be effected in the following manner:

(A) Holders of Catlin Shares in certificated form

In respect of each holding of Scheme Shares in certificated form, cheques in respect of cash entitlements (including in respect of the net proceeds of the sale of any fractional entitlements to New XL Shares) will be dispatched by or on behalf of XL to registered holders as at the Scheme Record Time within 14 days of the Effective Date. Such cheques will be payable in sterling only, drawn in a UK clearing bank, and dispatched at the holder’s risk.

As the New XL Shares will have a listing on the New York Stock Exchange and the Bermuda Stock Exchange, holders of Scheme Shares in certificated form may find that holding and trading the New XL Shares directly involves a US market practices and formalities that may be unfamiliar to such holders. In addition, dealing with a transfer agent (the equivalent of a registrar in Ireland and the UK) in a different jurisdiction and time zone may also prove inconvenient in certain circumstances. In light of the foregoing, XL will arrange for a nominee of Computershare Investor

Services PLC (“Computershare”) to act in the United Kingdom as nominee and trustee for such holders.

Under the nominee arrangement, depositary interests representing the New XL Shares to which a holder of Scheme Shares in certificated form becomes entitled under the Scheme will be credited to an account of a nominee of Computershare, as nominee and trustee for and on behalf of such holders. The holder will receive a statement of entitlement from Computershare detailing their holding of New XL Shares and explaining how they may deal in their New XL Shares through this nominee arrangement. This nominee arrangement will benefit holders of Scheme Shares in certificated form by eliminating the risk that share certificates in respect of their New XL Shares are lost, stolen, damaged or destroyed, and by facilitating dealings in New XL Shares. Holders of Scheme Shares in certificated form may, however, opt out of this nominee arrangement. Information about the terms and conditions of this nominee arrangement are set out in Appendix 2 of this Scheme Document, and will be available on XL’s website www.xlgroup.com (subject to certain access restrictions), at least until the Effective Date.

The nominee arrangement described above will not apply to holders of Scheme Shares in certificated form that have validly opted out, or that are ineligible to participate because they are resident in a jurisdiction in which Computershare cannot lawfully offer or operate (or does not have the requisite permit or licence to offer or operate), such nominee arrangement, or for any other reason. The New XL Shares to which such holders become entitled will be allotted and issued to them directly through the Direct Registration System or directly by XL. The holder will receive a statement of entitlement from XL’s transfer agent, detailing their holding of New XL Shares and explaining how they may deal in their New XL Shares through the Direct Registration System or, as the case may be, through the XL statutory share register. Note that to the extent New XL Shares are held in the Direct Registration System, then by virtue of the terms of the Offer, upon any future transfer of such XL Shares, the transferor of such shares shall be deemed to have irrevocably appointed the Secretary or Assistant Secretary of XL (or any duly authorised delegate or attorney of the Secretary or Assistant Secretary) as its agent to execute, complete and deliver an instrument of transfer in the name of and on behalf of such transferor. Your attention is also drawn to the description of Irish stamp duty for shares held outside of DTC in Section 4.1.2 of Part Seven of this Scheme Document. New XL Shares held through the Direct Registration System are shares held outside of DTC.

The terms and conditions applicable to the nominee arrangement described above are set out in Appendix 2 to this Scheme Document. Holders of Scheme Shares in certificated form who wish to opt out of the nominee arrangement should contact Computershare on +44 (0) 870 703 0008 (Monday to Friday, 9.00 a.m. to 5.00 p.m., London time, excluding UK public holidays).

(B) Holders of Catlin Shares in uncertificated form

In respect of each holding of depositary interests representing Scheme Shares, cash entitlements (including in respect of the net proceeds of the sale of any fractional entitlements to New XL Shares) will be credited to the CREST accounts of the registered holders of such Depositary Interests as at the Scheme Record Time, within 14 days of the Effective Date. Depositary interests representing the New XL Shares to which such holders are entitled will be credited to the CREST accounts of the holders of such Depositary Interests on the dealing day following the Effective Date and in any event within 14 days of the Effective Date.

8. Taxation

Your attention is drawn to Part Seven of this Scheme Document, which sets out certain matters relating to the taxation treatment of Scheme Shareholders in respect of the Scheme in Bermuda, the UK, the US and the Republic of Ireland. Although this Scheme Document contains certain tax-related information, if you are in any doubt about your own tax position or you are subject to taxation in any jurisdiction other than Bermuda, the UK, the US or the Republic of Ireland, you should consult an appropriately qualified independent professional adviser immediately.

9. Catlin Share Schemes

The proposals being made to the holders of options and awards under the Catlin Share Schemes are summarised in paragraph 13 of Part One of this Scheme Document.

10. Overseas Shareholders

Overseas Shareholders should refer to Part Six of this Scheme Document, which contains important information relevant to such holders.

11. Actions to be taken

The actions to be taken by Catlin Shareholders in order to vote on the Offer and to make elections under the Mix and Match Facility are set out in the section headed “ACTIONS TO BE TAKEN” starting on page 9 of this Scheme Document.

12. Further information

The terms of the Scheme are set out in full in Part Four of this Scheme Document. Further information regarding Catlin and XL is set out in Part Eight of this Scheme Document and in XL’s Irish Prospectus which is available on XL’s website at www.xlgroup.com and on Catlin’s website at www.catlin.com (in each case subject to certain access restrictions), until the Effective Date. Documents available for inspection are listed in paragraph 22 of Part Eight of this Scheme Document.

Yours faithfully,
for and on behalf of

J.P. Morgan Limited
Conor Hillery
Managing Director

Evercore International Partners LLP
Andrew Sibbald
Managing Director

**PART THREE: CONDITIONS TO THE IMPLEMENTATION OF
THE SCHEME AND TO THE OFFER**

PART A: Conditions of the Offer and the Scheme

The Scheme is subject to the satisfaction (or, where applicable, waiver in accordance with Part B below) of the following Conditions:

Approval of the Scheme

(A) The Offer and the Scheme are conditional upon:

- (i) the Scheme becoming effective by no later than 9 October 2015 (or such later date as may be agreed between XL and Catlin);
- (ii) both the Court Meeting and the Special General Meeting being held by 6 May 2015 (or such later date as may be agreed between XL and Catlin); and
- (iii) the Court Hearing being held no later than the day that is 22 days after the date first fixed for the Court Hearing (which date can be determined only after the last of the Clearances has been obtained and may or may not be 29 April 2015) (or such later date as may be agreed between XL and Catlin),

provided that, Condition A(i), Condition A(ii) and Condition A(iii) may not be invoked or waived after the latest date specified in each such Condition.

(B) The Offer and the Scheme are subject to the following further Conditions:

- (i) approval of the Scheme by a majority in number representing not less than three-fourths of the voting rights of the holders of the Catlin Shares (or the relevant class or classes thereof, if applicable) present and voting, either in person or by proxy, at the Court Meeting;
- (ii) the resolution set out in the notice of the Special General Meeting being duly passed by the requisite majority at the Special General Meeting;
- (iii) the sanction of the Scheme by the Court (in each case with or without modification but subject to any modification being on terms acceptable to XL and Catlin) and the delivery of the court order sanctioning the Scheme to the Registrar of Companies; and
- (iv) there being no reason that is reasonably expected to prevent, immediately following the Scheme becoming effective, the delivery to the Registrar of Companies of all documentation and consents required to implement the Merger pursuant to the Companies Act immediately following the Scheme becoming effective (including for the Registrar of Companies to issue a certificate of merger pursuant to the Companies Act confirming the Merger).

In addition, the Offer and the Scheme are conditional upon the following Conditions and, accordingly, the necessary actions to make the Scheme effective will not be taken unless the following Conditions have been satisfied or, where relevant, waived in accordance with Part B below:

Specific anti-trust and regulatory clearances and approvals

PRA approval

- (C) the PRA having given notice in writing under section 189(4)(a) of the FSMA (or a decision notice under section 189(7) of the FSMA) (in terms which do not impose any conditions, obligations or restrictions on the Enlarged XL Group which are material in the context of the Wider Catlin Group or the Wider XL Group, as the case may be, or in the context of the Offer, whether under the existing insurance regulatory regime in the UK or under the Solvency II regime, including in each case in respect of regulatory capital) of its approval (or being treated as having given its approval by virtue of section 189(6) of the FSMA) in respect of any offer of or increase in control (as defined in sections 181 and 182 of the FSMA) over any member of the Wider Catlin Group which is a PRA authorised person, which in either case would take place as a result of the Offer;

Lloyd's approval

- (D) Lloyd's having given its consent in writing under paragraph 12 of the Lloyd's Membership Byelaw or paragraph 43 of the Lloyd's Underwriting Byelaw (as the case may be), (in terms which do not impose any conditions, obligations or restrictions on the Enlarged XL Group which are material in the context of the Wider Catlin Group or the Wider XL Group, as the case may be, or in the context of the Offer), in respect of any change in the controller of any member of the Wider Catlin Group which is a corporate member or a managing agent of Lloyd's which would take place as a result of the Offer;

Bermuda approvals

- (E) (i) the Insurance Division of the Bermuda Monetary Authority having confirmed in writing that it has no objection in accordance with the Bermuda Insurance Act (A) to any change in the shareholder controller of any member of the Catlin Group, which is a registered person under the Bermuda Insurance Act, or (B) to any change to any member of the Catlin Group, which is a registered person under the Bermuda Insurance Act, each as result of the Offer, (ii) the Investment Division of the Bermuda Monetary Authority confirming in writing that it has no objection in accordance with the Bermuda Investment Business Act 2003 to any change in the majority shareholder controller of any member of the Catlin Group which is an investment provider licensed under the Bermuda Investment Business Act 2003, and (iii) the Exchange Control Division of the Bermuda Monetary Authority confirming in writing that it has no objection in accordance with the Exchange Control Act 1972 of Bermuda to any issue or transfer of shares in the surviving company in connection with the Offer, provided that the terms of any such non-objection shall not impose any conditions, obligations or restrictions on the Enlarged XL Group which are material in the context of the Wider Catlin Group or the Wider XL Group, as the case may be, or in the context of the Offer;

FINMA approval

- (F) FINMA not having initiated any examination within four weeks following the notification of the change in the qualified participant of Catlin Re Switzerland Ltd. arising from the Offer, or in the event FINMA does initiate such examination, FINMA having then approved the Offer, provided that the terms of such an approval shall not impose any conditions, obligations or restrictions on the Enlarged XL Group which are material in the context of the Wider Catlin Group or the Wider XL Group, as the case may be, or in the context of the Offer;

US state insurance regulatory approvals

- (G) the commissioner of the Delaware Department of Insurance having approved, pursuant to 18 Del. Code § 5003, any acquisition of control arising from the Offer, provided that the terms of such approval shall not impose any conditions, obligations or restrictions on the Enlarged XL Group which are material in the context of the Wider Catlin Group or the Wider XL Group, as the case may be, or in the context of the Offer;
- (H) the commissioner of the Texas Department of Insurance having approved, pursuant to Texas Insurance Code § 823.154 and § 4001.253, any acquisition of control arising from the Offer, provided that the terms of such approval shall not impose any conditions, obligations or restrictions on the Enlarged XL Group which are material in the context of the Wider Catlin Group or the Wider XL Group, as the case may be, or in the context of the Offer;
- (I) in the event that any member of the Wider Catlin Group acquires control of WRM America Indemnity Company, Inc. prior to the Effective Date, the superintendent of the New York Department of Financial Services having approved, pursuant to Section 1506 of the New York Insurance Code, any acquisition of control arising from the Offer, provided that the terms of such approval shall not impose any conditions, obligations or restrictions on the Enlarged XL Group which are material in the context of the Wider Catlin Group or the Wider XL Group, as the case may be, or in the context of the Offer;
- (J) the waiting periods having expired or been terminated for any and all pre-offer notification (Form E) filings required to be filed with US state insurance regulators under applicable US state insurance laws, provided that if such expiration or termination is subject to conditions, obligations or restrictions, the terms of the foregoing do not impose any conditions, obligations or restrictions on the Enlarged XL Group which are material in the context of the Wider Catlin Group or the Wider XL Group, as the case may be, or in the context of the Offer;

Other regulatory approvals

- (K) each regulatory or governmental authority (other than any anti-trust authority) which regulates or licenses any member of the Wider Catlin Group or any other body corporate in which any member of the Wider Catlin Group has an interest in shares, and whose prior approval, consent or non-objection to any change in control or offer of or increase in control in respect of that or any other member of the Wider Catlin Group is required, or any regulatory or governmental authority whose prior approval, consent or non-objection to the Offer is otherwise required, or from whom one or more licences or permissions are required in order to complete the Offer, having given its approval, non-objection or consent in writing thereto and, as the case may be, having granted such licences and permissions (in each case where required and in terms which do not impose any conditions, obligations or restrictions on the Enlarged XL Group which are material in the context of the Wider Catlin Group or the Wider XL Group, as the case may be, or in the context of the Offer);

European Commission clearance

- (L) in so far as the Offer constitutes a concentration with a Community dimension within the scope of Council Regulation (EC) No 139/2004:
- (i) the European Commission having issued a decision, on terms satisfactory to XL, acting reasonably, in respect of the Offer under Article 6(1)(b) or Article 6(2) (or being deemed to have done so under Article 10(6)); and
 - (ii) if any aspect of the Offer is referred to a competent authority of a European Union or European Free Trade Association state or more than one such competent authority under Article 9, confirmation having been received from each such competent authority that the Offer may proceed on terms satisfactory to XL, acting reasonably;

US Hart-Scott-Rodino clearance

- (M) all necessary notifications and filings having been made and all applicable waiting periods (including any extensions thereof) under the US Hart-Scott-Rodino Antitrust Improvements Act of 1976 (as amended) and the rules and regulations made thereunder having expired or been terminated in each case in respect of the Offer and the offer or the proposed offer of any shares or other securities in, or control of, Catlin by any member of the Wider XL Group;

Turkey anti-trust clearance

- (N) all necessary notifications and filings having been made and all clearance decisions having been received or waiting periods (including any extensions thereof) under the applicable Turkish anti-trust laws having expired or been terminated in each case in respect of the Offer and the offer or the proposed offer of any shares or other securities in, or control of, Catlin by any member of the Wider XL Group;

General anti-trust and regulatory

- (O) all clearance decisions having been received or waiting periods (including any extensions thereof) having expired or been terminated under any anti-trust laws in other jurisdictions where XL and Catlin (in both cases acting reasonably) agree that an anti-trust filing should be made in each case in respect of the Offer and the offer or the proposed offer of any shares or other securities in, or control of, Catlin by any member of the Wider XL Group;
- (P) no anti-trust regulator or other Third Party, in each case in any jurisdiction where XL and Catlin (in both cases acting reasonably) agree that an anti-trust filing should be made (including the following jurisdictions in which XL and Catlin have so agreed: EU, the US and Turkey), having decided, threatened or given notice of its decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference or withdrawal of a clearance decision, or having required any action or step to be taken or otherwise having done anything or having enacted, made or proposed any statute, regulation, decision, order or change to published practice (and in each case, not having withdrawn the same), and there not continuing to be outstanding any statute, regulation, decision or order which would or might be expected to (in any case to an extent or in a manner which is material in the context of the Wider Catlin Group or the Wider XL Group, as the case may be, or in the context of the Offer):

- (i) make the Offer, its implementation or the offer or proposed offer of any shares or other securities in, or control or management of, any member of the Wider Catlin Group by any member of the Wider XL Group, void, illegal and/or unenforceable under the laws of any relevant jurisdiction, or otherwise directly or indirectly prevent, prohibit, or restrain, restrict, delay or otherwise interfere with the implementation of, or impose additional conditions or obligations with respect to, or otherwise impede, challenge, interfere, hinder the Offer or its implementation or require amendment to the terms of the Offer or the offer or proposed offer of any shares or other securities in, or control or management of, any member of the Wider Catlin Group by any member of the Wider XL Group, or otherwise challenge or interfere therewith;
- (ii) require any member of the Wider XL Group or any member of the Wider Catlin Group to sell, divest, hold separate, or otherwise dispose of all or any material part of their respective businesses, operations, product lines or assets or property or to prevent or materially delay any of the above;
- (iii) require any member of the Enlarged XL Group to conduct its business or any part thereof in a specified manner or impose any limitation on the ability of all or any of them to conduct their respective businesses (or any part thereof) or to own, control or manage any of their assets or properties (or any part thereof), in each case which is material in the context of the Wider Catlin Group or the Wider XL Group, as the case may be, or in the context of the Offer;
- (iv) impose any material limitation on, or result in a material delay in, the ability of any member of the Wider XL Group or any member of the Wider Catlin Group to conduct, integrate or co-ordinate all or any part of its business with all or any part of the business of any other member of the Wider XL Group and/or the Wider Catlin Group;
- (v) impose any material limitation on, or result in a material delay in, the ability of any member of the Wider XL Group directly or indirectly to acquire, hold or to exercise effectively all or any rights of ownership in respect of shares or loans or securities convertible into shares or any other securities (or the equivalent) in Catlin or on the ability of any member of the Wider Catlin Group or any member of the Wider XL Group directly or indirectly to hold or exercise effectively all or any rights of ownership in respect of shares or loans or securities convertible into shares or any other securities (or the equivalent) in, or to exercise voting or management control over, any member of the Wider Catlin Group;
- (vi) require, prevent or materially delay a divestiture, or materially alter the terms envisaged for any proposed divestiture by any member of the Wider XL Group or the Wider Catlin Group of any shares or other securities (or the equivalent) in any member of the Wider Catlin Group or any member of the Wider XL Group;
- (vii) in the event that XL elects to implement the Offer by way of a Takeover Offer, require any member of the Wider XL Group or the Wider Catlin Group to acquire, or offer to acquire any shares or other securities (or the equivalent) or interest in any member of the Wider Catlin Group or any member of the Wider XL Group or any asset owned by any third party (other than in connection with the implementation of the Offer);
- (viii) require any member of the Wider Catlin Group or the Wider XL Group to relinquish, terminate or amend in any way any material contract to which any member of the Wider Catlin Group or the Wider XL Group is a party;
- (ix) result in any member of the Wider Catlin Group or any member of the Wider XL Group ceasing to be able to carry on business under any name under which it currently does so in any jurisdiction;
- (x) require any member of the Wider XL Group or any member of the Wider Catlin Group or any of their respective affiliates to (A) invest, contribute or loan any capital or assets to; (B) guarantee or pledge capital assets for the benefit of; (C) maintain, support or guarantee a minimum level of capital or surplus in excess of the minimum regulatory requirements applicable in respect of such entity or in excess of any additional regulator-imposed buffer applicable as at the date hereof; or (D) provide any financial resources, keep-well or support of any nature whatsoever at any time to, any member of the Wider Catlin Group which is material in the context of the Wider Catlin Group or the Wider XL

Group, as the case may be, or in the context of the Offer, whether under the existing insurance regulatory regime, including in respect of regulatory capital, or under the Solvency II regime; or

- (xi) otherwise materially adversely affect all or any of the business, assets, liabilities, profits, financial or trading position, operational performance or prospects of any member of the Wider Catlin Group or any member of the Wider XL Group;

and all applicable waiting and other time periods (including any extensions thereof) during which any such anti-trust regulator or other Third Party could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or withdrawal of a clearance decision or take any other step under the laws of any jurisdiction in respect of the Offer or the offer or proposed offer of any Catlin Shares or other securities in, or control or management of, Catlin or otherwise intervene having expired, lapsed or been terminated;

Listing on the New York Stock Exchange, effectiveness of registration

- (Q) (i) confirmation having been received by XL that the New XL Shares have been approved for listing, subject to official notice of issuance, on the New York Stock Exchange; and
- (ii) in the event that the Offer is implemented by way of a Takeover Offer or a Bermuda Merger, absent an available exemption from the registration requirements of the US Securities Act, the Registration Statement having been declared effective by the SEC and no stop order having been issued or proceedings for suspension of the effectiveness of the Registration Statement having been initiated or threatened by the SEC and XL having received all necessary US state securities law or blue sky authorisations;

XL's Irish Prospectus

- (R) (i) XL's Irish Prospectus shall have been approved by the Central Bank of Ireland, and made available to the public in accordance with applicable law and regulation in the Republic of Ireland; and
- (ii) the UKLA shall have given notice on its website that it has received, from the Central Bank of Ireland, the information referred to in section 87H of the FSMA in relation to XL's Irish Prospectus;

Notifications, waiting periods and Authorisations

- (S) all notifications, filings or applications, other than any anti-trust notifications, filings or applications, which are necessary or are reasonably considered appropriate or desirable by XL having been made in connection with the Offer and all necessary waiting and other time periods (including any extensions thereof) under any applicable legislation or regulations of any relevant jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory and regulatory obligations in any jurisdiction having been complied with in each case in respect of the Offer and all Authorisations which are necessary or reasonably considered appropriate by XL in any relevant jurisdiction for or in respect of the Offer or the offer or the proposed offer of any shares or other securities in, or control or management of, Catlin or any other member of the Wider Catlin Group by any member of the Wider XL Group having been obtained in terms and in a form reasonably satisfactory to XL from all relevant Third Parties or (without prejudice to the generality of the foregoing) from any persons or bodies with whom any member of the Wider Catlin Group or the Wider XL Group has entered into contractual arrangements and all such Authorisations necessary, appropriate or desirable to carry on the business of any member of the Wider Catlin Group in any jurisdiction having been obtained and all such Authorisations remaining in full force and effect at the time at which the Offer becomes effective and there being no notice or intimation of any intention to revoke, suspend, restrict, impede, modify or not to renew such Authorisations in each such case to an extent or in a manner which is material in the context of the Wider Catlin Group or the Wider XL Group, as the case may be, or in the context of the Offer;

Pension liabilities

(T) since 31 December 2013, except as Fairly Disclosed:

- (i) no member of the Wider Catlin Group nor the trustees of any relevant pension scheme having been a party to an act or a deliberate failure to act, or suffered any event, which would lead to or entitle any person to commence the winding-up of any such pension scheme or give rise directly or indirectly to a liability arising out of the operation of sections 38 to 56 (inclusive) of the Pensions Act 2004 or under section 75 of the Pensions Act 1995 in relation to any such pension scheme; and
- (ii) no action having been taken by the Pensions Regulator (as defined in the Pensions Act 2004) to exercise any of its powers in respect of any relevant pension scheme including its powers pursuant to sections 38 to 56 (inclusive) of the Pensions Act 2004 and sections 7 and 11 of the Pensions Act 1995 and no such exercise having been proposed or threatened to Catlin;

Catlin Shareholder resolutions

(U) no resolution of Catlin Shareholders in relation to any offer or disposal of assets or shares (or the equivalent thereof) in any undertaking or undertakings (or in relation to any merger, consolidation, demerger, reconstruction, amalgamation or scheme) being passed at a meeting of Catlin Shareholders other than in relation to the implementation of the Offer and Catlin not having taken any action that requires or would require approval of Catlin Shareholders in general meeting pursuant to Rule 21.1 of the Code if the Code applied to Catlin and the Offer;

Certain matters arising as a result of any arrangement, agreement, etc.

(V) except as Fairly Disclosed, there being no provision of any agreement, arrangement, lease, licence, franchise, permit or other instrument to which any member of the Wider Catlin Group is a party, or by or to which any such member or any of its assets is or are or may be bound, entitled or subject or any event or circumstance, which, in each case as a consequence of the Offer and the offer or proposed offer of any shares or other securities in, or control of, Catlin or any other member of the Wider Catlin Group or otherwise, would or might be expected to result in (in any case to an extent that is or would be material in the context of the Wider Catlin Group or in the context of the Offer):

- (i) any monies borrowed by, or any other indebtedness or liabilities (actual or contingent) of, or any grant available to, any such member being or becoming repayable or capable of being declared repayable, immediately or prior to its or their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
- (ii) any such agreement, arrangement, lease, licence, franchise, permit or other instrument, or the rights, liabilities, obligations, interests or business of any such member thereunder (or with any other person), being, or becoming capable of being, terminated or adversely affected, or any onerous obligation or liability arising or any adverse action occurring thereunder;
- (iii) any such member ceasing to be able to carry on its business under any name under which it currently does so;
- (iv) any assets or interests of or used by any such member being or being required to be disposed of or charged or ceasing to be available to any such member or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any such member;
- (v) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any such member or any such mortgage, charge or other security interest (whenever created, arising or having arisen) becoming enforceable;
- (vi) the creation or acceleration of any liability, actual or contingent, by any such member;
- (vii) any liability of any such member to make any severance, termination, bonus or other payment to any of its directors or other officers;

- (viii) any requirement on any such member to acquire, subscribe, pay up or repay any shares or other securities;
- (ix) the rights, liabilities, obligations or interests of any such member in, or the business of any such member with, any person, firm, company or body (or any arrangement or arrangements relating to any such interest or business) being or becoming capable of being terminated, or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken thereunder; or
- (x) the value of any such member or its financial or trading position or prospects being prejudiced or adversely affected;

and no event having occurred which, under any provision of any agreement, arrangement, lease, licence, franchise, permit or other instrument to which any member of the Wider Catlin Group is a party or by or to which any such member or any of its assets are or may be bound, entitled or subject, would or might be expected to result in any of the events or circumstances as are referred to in sub-paragraphs (i) to (x) of this Condition;

Certain events occurring since 31 December 2013

- (W) since 31 December 2013, except as Fairly Disclosed or as otherwise permitted under the Implementation Agreement or the Code Application Letter, no member of the Wider Catlin Group having:
 - (i) save for transactions between Catlin and any of its wholly-owned subsidiaries or between the wholly-owned subsidiaries of Catlin, issued or agreed to issue or authorised or proposed or announced its intention to authorise or propose the issue of additional shares (or other securities) of any class, or securities or securities convertible into or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares, securities or convertible securities or transferred or sold, or agreed to transfer or sell or authorised or proposed the transfer or sale of any shares out of treasury or purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or made any other change to any part of its share capital;
 - (ii) other than as required by the terms of the Non-Cumulative Perpetual Preferred Shares, recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution whether payable in cash or otherwise, save for distributions to Catlin or a wholly-owned subsidiary of Catlin by a wholly-owned subsidiary of Catlin;
 - (iii) save for transactions between Catlin and any of its wholly-owned subsidiaries or between the wholly-owned subsidiaries of Catlin or pursuant to the Offer, merged or demerged with any body corporate or acquired or disposed of or transferred, mortgaged or charged or created any security interest over any material assets or any right, title or interest in any material asset (including shares or loan capital (or the equivalent thereof) in any undertaking or undertakings and further including trade investments) or implemented, effected, authorised or proposed or announced any intention to implement, effect, authorise or propose any such merger, demerger, reconstruction, amalgamation, scheme, commitment, offer, disposal, transfer, mortgage, charge or security interest (which, in the case of any transfer, mortgage, charge or security interest, is other than in the ordinary course of business consistent with past practice);
 - (iv) save for transactions between Catlin and any of its wholly-owned subsidiaries or between the wholly-owned subsidiaries of Catlin, made or authorised or proposed or announced an intention to propose any change to the terms of any of its loan capital, debentures or other indebtedness, which in any case is material in the context of the Wider Catlin Group;
 - (v) entered into, implemented or authorised the entry into of, or amended, terminated or permitted to be terminated, any joint venture, asset or profit sharing arrangement, partnership or merger of business or corporate entities which in any case is material in the context of the Wider Catlin Group;
 - (vi) issued or agreed to issue, authorised or proposed or announced an intention to authorise or propose the issue of any debentures or (except in the ordinary course of business consistent with past practice), incurred or increased, or agreed to incur or increase, any

indebtedness in an amount in the aggregate exceeding US\$10,000,000 or become, or agreed to become, subject to any liability (actual or contingent) to an extent which is material in the context of the Wider Catlin Group or in the context of the Offer;

- (vii) implemented, effected, authorised or proposed or announced its intention to implement, effect, authorise or propose any composition, assignment, reconstruction, amalgamation, scheme, commitment or other transaction or arrangement otherwise than in the ordinary course of business consistent with past practice or entered into or varied, or made any offer to enter into or vary, the terms of any contract, agreement or arrangement with any director or senior executive of any member of the Wider Catlin Group;
- (viii) entered into or varied or authorised, proposed or announced its intention to enter into or vary any material agreement, contract, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) other than in the ordinary course of business consistent with past practice which is of a long-term, onerous or unusual nature or magnitude or which involves or might be expected to involve an obligation of a nature or magnitude which would be or might be expected to be materially restrictive or onerous on the business of any member of the Wider Catlin Group or the Wider XL Group which taken together with any other such material agreement, contract, transaction, arrangement or commitment would be or might be expected to be material in the context of the Wider Catlin Group or the Wider XL Group, as the case may be;
- (ix) other than in respect of a member which is dormant and was solvent at the relevant time, taken or proposed any step or corporate action, or had any legal proceedings instituted or threatened against it or petition presented or order made, in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up (voluntary or otherwise), dissolution or reorganisation or for the appointment of a receiver, administrative receiver, administrator, manager, trustee or similar officer of all or any material part of its assets or revenues or any analogous or equivalent steps or proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed;
- (x) been unable, or admitted in writing that it is unable, to pay its debts as they fall due or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;
- (xi) entered into or changed the terms of, or made any offer (which remains open for acceptance) to enter into or vary the terms of, any contract, service agreement, commitment, transaction or arrangement other than to a nature and extent which is normal and consistent with past practice in the context of the business concerned;
- (xii) waived, compromised or settled any claim which is material in the context of the Wider Catlin Group or in the context of the Offer otherwise than in the ordinary course of business consistent with past practice;
- (xiii) terminated or varied the terms of any agreement or arrangement between any member of the Wider Catlin Group and any other person in a manner which would or might reasonably be expected to have a material adverse effect on the financial position of the Wider Catlin Group;
- (xiv) except in relation to changes made or agreed as a result of, or arising from, legislation or changes to legislation, made or agreed or consented to any change to:
 - (a) the terms of the trust deeds constituting the pension scheme(s) established by any member of the Wider Catlin Group for its directors, officers, employees or their dependants;
 - (b) the contributions payable to any such scheme(s) or to the benefits which accrue or to the pensions which are payable thereunder;
 - (c) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined;
 - (d) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued or made, or agreed or consented to; or

- (e) the trustees involving the appointment of a trust corporation, in a manner which, in any such case, is material in the context of the Wider Catlin Group or in the context of the Offer;
- (xv) save as agreed in writing by XL, proposed, agreed to provide or modified the terms of any share option scheme, pension scheme obligations, incentive scheme or other benefit relating to the employment or termination of employment of any person employed by the Wider Catlin Group which are material in the context of the Wider Catlin Group or in the context of the Offer;
- (xvi) except as disclosed on publicly available registers, made any alteration to the Bye-Laws or other incorporation documents of Catlin or any material alteration to the memorandum of association or bye-laws or similar organisational documents of any member of the Catlin Group (in each case, other than an alteration in connection with the Offer) which in any such case is material in the context of the Wider Catlin Group or in the context of the Offer;
- (xvii) entered into any contract, commitment, arrangement or agreement otherwise than in the ordinary course of business consistent with past practice or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced any intention to, or to propose to, effect any of the transactions, matters or events referred to in this Condition; or
- (xviii) having taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of Catlin Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the Code if the Code applied to Catlin and the Offer;

No adverse change, litigation or regulatory enquiry

(X) since 31 December 2013, except as Fairly Disclosed, there having been:

- (i) no material adverse change or deterioration in the business, assets, liabilities, shareholders' equity, financial or trading position or profits, operational performance or prospects of any member of the Wider Catlin Group which, in any such case, is material in the context of the Wider Catlin Group and no circumstance having arisen which would or might reasonably be expected to result in any such adverse change or deterioration;
- (ii) no agreement or arrangement between any member of the Wider Catlin Group and any other person having been terminated or varied in a manner which, in any such case, would or might reasonably be expected to have a material adverse effect on the financial position of the Wider Catlin Group;
- (iii) no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Wider Catlin Group is or may become a party (whether as a claimant, defendant or otherwise) and no enquiry, review or investigation by, or complaint or reference to, any Third Party against or in respect of any member of the Wider Catlin Group (or any person in respect of which any such member has or may have responsibility or liability) having been threatened, announced, implemented or instituted by or against or remaining outstanding against or in respect of any member of the Wider Catlin Group which, in any such case, has had, or might reasonably be expected to have, a material adverse effect on the Wider Catlin Group or in the context of the Offer;
- (iv) no contingent or other material liability having arisen or become apparent to XL or increased which has had, or might reasonably be expected to have, a material adverse effect on the business, assets, financial or trading position or profits or prospects of any member of the Wider Catlin Group which, in any such case, is material in the context of the Wider Catlin Group or in the context of the Offer; and
- (v) no action or steps having been taken and no omissions having been made which are reasonably likely to lead to or result in the withdrawal, cancellation, termination, modification or variation of any Authorisation held by or on behalf of any member of the Wider Catlin Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which has had, or might reasonably be expected to have, a material adverse effect on the Wider Catlin Group or in the context of the Offer;

No discovery of certain matters regarding information and liabilities

(Y) except as Fairly Disclosed, XL not having discovered:

- (i) that any financial, business or other information concerning the Wider Catlin Group as contained in the information publicly disclosed at any time by or on behalf of any member of the Wider Catlin Group or disclosed at any time to any member of the Wider XL Group or to any of their advisers by or on behalf of any member of the Wider Catlin Group is misleading, contains a misrepresentation of any fact or omits to state a fact necessary to make that information not misleading, in each case to an extent which is, in any case itself or together with other factors, material in the context of the Wider Catlin Group or in the context of the Offer;
- (ii) that any member of the Wider Catlin Group or any partnership, company or other entity in which any member of the Wider Catlin Group has a significant economic interest and which is not a subsidiary undertaking of Catlin is subject to any liability (contingent or otherwise) which, in any such case, is material in the context of the Wider Catlin Group or in the context of the Offer;
- (iii) any information which affects the import of any information disclosed to XL or its advisers at any time by or on behalf of any member of the Wider Catlin Group and which is material and adverse in the context of the Wider Catlin Group or in the context of the Offer; and
- (iv) that any member of the Wider Catlin Group or any of their respective affiliates has failed to satisfy any requirement of any Third Party to (i) invest, contribute or loan any capital or assets to; (ii) guarantee or pledge capital assets for the benefit of; (iii) maintain, support or guarantee a minimum level of capital or surplus in excess of the minimum regulatory requirements applicable in respect of such entity or in excess of any additional regulator-imposed buffer; or (iv) provide any financial resources, keep-well or support of any nature whatsoever at any time to, any member of the Wider Catlin Group which is material in the context of the Wider Catlin Group or the Wider XL Group, as the case may be, or in the context of the Offer, whether under the existing insurance regulatory regime, including in respect of regulatory capital, or under the Solvency II regime;

Anti-corruption, sanctions and criminal property

(Z) except as Fairly Disclosed, XL not having discovered:

- (i) any past or present member, director, officer or employee of the Wider Catlin Group, or any other person for whom any such person may be liable or responsible, has not (in the course of the business of the Wider Catlin Group or their engagement on it) complied with the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and any laws implementing the same, the UK Bribery Act 2010 and/or the US Foreign Corrupt Practices Act of 1977;
- (ii) any past or present member, director, officer or employee of the Wider Catlin Group, or any other person for whom any such person may be liable or responsible, has (in the course of the business of the Wider Catlin Group or their engagement on it) engaged in any business with or made any investments in, or made any payments to, (a) any government, entity or individual with which US or EU persons are prohibited from engaging in activities or doing business by US or EU laws or regulations, including the economic sanctions administered by the US Office of Foreign Assets Control, or (b) any government, entity or individual targeted by any of the economic sanctions of the United Nations or the European Union or any of their respective member states; and
- (iii) any asset of any member of the Wider Catlin Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition).

PART B: Waiver and invocation of Conditions

XL reserves the right (but shall be under no obligation, except as provided in the Implementation Agreement) to waive, in whole or in part, all or any of the Conditions (except the Conditions set out in paragraphs (B)(i)-(iv) and (Q) of Part A above of this Part Three, in each case, which are not waivable). Except as provided in the Implementation Agreement, XL shall be under no obligation to waive or treat as fulfilled any of the Conditions which are capable of being waived by a

date earlier than the date specified in the Condition set out in paragraph (A)(i) of Part A above of this Part Three for the fulfilment thereof, notwithstanding that other Conditions may at any earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.

Pursuant to the Implementation Agreement, XL and Catlin have agreed that Rule 13 of the Code will govern the circumstances in which XL can invoke any Condition so as to cause the Offer to lapse. Under Rule 13.5 of the Code, XL may not invoke a Condition so as to cause the Offer not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the condition are of material significance to XL in the context of the Offer. The Conditions set out in paragraphs (A), (B)(i) to (iii) and (L) of Part A above of this Part Three, in each case, are not subject to this provision of the Code. In addition, pursuant to the Code Application Letter, XL and Catlin have agreed that for the purpose of Rule 13.5(a) of the Code, it would be of material significance to XL in the context of the Offer, if any of the Conditions set out in paragraphs (C) (PRA approval), (D) (Lloyd's approval), (E) (Bermuda Monetary Authority approval), (F) (FINMA approval), (G) (Delaware Department of Insurance approval), (H) (Texas Department of Insurance approval), (I) (New York Department of Financial Services approval) (if applicable) or (M) (US Hart-Scott-Rodino clearance), in each case, is not satisfied.

In the event that the Offer is implemented by way of a Takeover Offer, Catlin Shares which will be acquired under the Offer will be acquired fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any), and any other return of capital (whether by way of reduction of share capital or share premium account or otherwise), declared, made or paid on or after the date of this Scheme Document except for the ITB Special Dividend.

PART C: Implementation by way of a Takeover Offer

XL may (in accordance with and subject to the terms of the Implementation Agreement) implement the Offer by making, directly or indirectly through XL Sub, a Takeover Offer as an alternative to the Scheme.

In such event, the Takeover Offer will be implemented on the same terms (subject to appropriate amendments), so far as applicable, as those which would apply to the Scheme. In particular, the Conditions set out in paragraphs (A) and (B) of Part A above of this Part Three, in each case, would not apply and, instead, the Takeover Offer would be subject to the following further Conditions:

- (i) valid acceptances being received (and not, where permitted, withdrawn) by 3.00 p.m. (London time) on the first closing date of the Takeover Offer (or such later time(s) and/or date(s) as the Implementation Agreement may require or the Code Committee or Code Expert shall determine) in respect of not less than 90 per cent. (or such lower percentage as XL may decide) of the voting rights carried by the Catlin Shares to which the Takeover Offer relates, provided that this condition will not be satisfied unless XL (together with its wholly owned subsidiaries, if any) shall have acquired or agreed to acquire (whether pursuant to the Takeover Offer or otherwise), directly or indirectly, Catlin Shares carrying in aggregate more than 75 per cent. of the voting rights then normally exercisable at a general meeting of Catlin; and
- (ii) the Takeover Offer having become or been declared wholly unconditional within 21 days after the later of the first closing date or the date the Takeover Offer becomes or is declared unconditional as to acceptances (or such later time(s) and/or date(s) as the Implementation Agreement may require or the Code Committee or Code Expert shall determine).

For the purposes of the Conditions referred to in (i) and (ii) of this Part C:

- Catlin Shares which have been unconditionally allotted shall be deemed to carry the voting rights they will carry upon issue;
- Catlin Shares that cease to be held in treasury are Catlin Shares to which the Takeover Offer relates; and
- the expression "Catlin Shares to which the Takeover Offer relates" shall be construed in accordance with the Companies Act.

PART D: Certain further terms of the Offer and the Scheme

The Offer will lapse if the United Kingdom Competition and Markets Authority launches an in-depth Phase 2 investigation before the Court Meeting and the Special General Meeting. The Offer will lapse if the European Commission initiates proceedings under Article 6(1)(c) of Council Regulation (EC) No 139/2004 in respect of the Offer (or any matter arising from it) before the Court Meeting. If either of such events occurs, the Offer will not become effective and none of XL, Catlin or Catlin Shareholders will be bound by any term of the Offer.

The availability of the Offer to Catlin Shareholders who are not resident in the United Kingdom, the US, the Republic of Ireland or Bermuda may be affected by the laws of relevant jurisdictions. Therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom, the US, the Republic of Ireland and Bermuda and any Catlin Shareholders who are not resident in the United Kingdom, the US, the Republic of Ireland or Bermuda will need to inform themselves about, and observe, any applicable requirements.

If a Form of Election has been returned to Capita or if a TTE Instruction was made through CREST and the Catlin Shareholder subsequently wishes to withdraw or amend that Mix and Match election, any such withdrawal or amendment will be conditional on Capita verifying that the withdrawal request is validly made. Accordingly, Capita will, on behalf of Catlin and XL, accept or reject the withdrawal or amendment.

If any Form of Election or TTE Instruction in respect of an election under the Mix and Match Facility is either received after the Scheme Record Time (or such other time (if any) to which the right to make an election under the Mix and Match Facility may be amended) or is received before such time and date but is not valid or complete in all respects at such time or date, such election shall, for all purposes, be void (unless Catlin and XL, in their absolute discretion, elect to treat as valid, in whole or in part, any such Form of Election or TTE Instruction).

The New XL Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the existing XL Shares, save that they will not participate in any dividend payable by XL with reference to a record date prior to the Effective Date.

PART FOUR: THE SCHEME OF ARRANGEMENT

THE SCHEME OF ARRANGEMENT
IN THE SUPREME COURT OF BERMUDA
CIVIL JURISDICTION
(COMMERCIAL COURT)

2015: No. 89

IN THE MATTER OF CATLIN GROUP LIMITED

and

IN THE MATTER OF THE COMPANIES ACT 1981

SCHEME OF ARRANGEMENT
(under section 99 of the Companies Act 1981)

between

CATLIN GROUP LIMITED

(an exempted company incorporated with limited liability and registered
under the laws of Bermuda with registration number 26680)

and

THE HOLDERS OF THE SCHEME SHARES

(as hereinafter defined)

1. Preliminary

1.1 In this Scheme, unless inconsistent with the subject or context, the following expressions have the following meanings and terms defined in Part Ten of this Scheme Document shall apply throughout:

“A Shares”	class A shares of par value of 1 cent each in the share capital of Catlin;
“B Shares”	class B shares of par value of 1 cent each in the share capital of Catlin;
“business day”	a day (other than a Saturday, Sunday, public or bank holiday) on which banks are generally open for normal business in London, United Kingdom, and Hamilton, Bermuda;
“Bye-Laws”	the bye-laws of Company, as amended from time to time (including pursuant to this Clause 4 of this Scheme);
“C Shares”	class C shares of par value of $\frac{1}{2}$ of a cent each in the share capital of Catlin;
“Cash Election”	has the meaning given in Clause 5.3(C);
“Catlin”	Catlin Group Limited, an exempted company incorporated with limited liability and registered under the laws of Bermuda with registration number 26680;
“Code Committee”	the committee established pursuant to Clause 2 of the Implementation Agreement;
“Code Expert”	the expert appointed pursuant to Clause 2 of the Implementation Agreement;
“Common Shares”	common shares of par value of 1 cent each in the share capital of Catlin;
“Companies Act”	the Companies Act 1981, as amended;
“Computershare”	Computershare Investor Services PLC (or one of its affiliates), as nominee and trustee in respect of the arrangement referred to in clause 11.2;
“Court”	the Supreme Court of Bermuda;

“Court Meeting”	the meeting of Scheme Shareholders (and any adjournment thereof) convened pursuant to an order of the Court pursuant to section 99 of the Companies Act to consider and, if thought fit, approve (with or without modification) this Scheme;
“CREST”	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear UK & Ireland Limited in accordance with the Regulations;
“D Shares”	class D ordinary shares of par value of $\frac{1}{2}$ of a cent each in the share capital of Catlin;
“Direct Registration System”	the system for the direct registration of ownership of uncertificated securities administered by The Depository Trust Company, a wholly-owned subsidiary of The Depository Trust and Clearing Corporation;
“Effective Date”	the date on which an office copy of the Order of the Court sanctioning this Scheme and making such facilitating orders as appropriate pursuant to section 99 of the Companies Act shall have been delivered to the Registrar for registration, at which time this Scheme shall become effective;
“Election”	an election by a Scheme Shareholder under the Mix and Match Facility;
“Election Return Time”	the time and date by which elections (including changes of election) under the Mix and Match Facility must be returned with Catlin’s registrar and receiving agent, Capita Asset Services (a trading name of Capita Registrars Limited), in order to be valid, which is currently expected to be 1.00 p.m. (London time) on 28 April 2015, or such later time and date as Catlin may determine and announce through a Regulatory Information Service;
“Excluded Shares”	any Common Shares that are, as at the Scheme Record Time, either: <ul style="list-style-type: none"> (i) registered in the name of, or beneficially owned by any member of the XL Group; or (ii) held as treasury shares;
“Form of Election”	the form of election relating to the Mix and Match Facility sent to Scheme Shareholders (other than Overseas Shareholders with a registered address in a Restricted Jurisdiction, or whom Catlin or XL reasonably believes to be resident or incorporated in, or a citizen of, a Restricted Jurisdiction);
“Implementation Agreement”	the implementation agreement entered into by XL, Catlin and Green Holdings Limited (a wholly owned subsidiary of XL) on 9 January 2015;
“Mix and Match Facility”	the facility provided for pursuant to Clause 5 of this Scheme under which a Scheme Shareholder (other than an Overseas Shareholder with a registered address in a Restricted Jurisdiction, or whom Catlin or XL reasonably believes to be resident or incorporated in, or a citizen of, a Restricted Jurisdiction) may elect, subject to off-setting elections by other Scheme Shareholders, to receive all cash or all New XL Shares in respect of some or all of that Scheme Shareholder’s Scheme Shares;
“New Common Shares”	has the meaning given in Clause 6.2;
“New XL Shares”	the new XL Shares to be issued to the holders of B Shares and D Shares pursuant to this Scheme;
“Overseas Shareholder”	a holder of Scheme Shares with a registered address (as appearing in Catlin’s register of members) in a jurisdiction outside Bermuda, the Republic of Ireland, the United Kingdom or the United States

	of America, or whom Catlin or XL reasonably believes to be resident or incorporated in, or a citizen of, a jurisdiction outside Bermuda, the Republic of Ireland, the United Kingdom or the United States of America;
“ Reduction of Capital ”	has the meaning given in Clause 6.1;
“ Registrar ”	the Registrar of Companies of Bermuda;
“ Regulations ”	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended;
“ Regulatory Information Service ” ...	a regulated information service that is approved by the United Kingdom Financial Conduct Authority as meeting the criteria for regulated information services and that is on the list of regulated information services maintained by the United Kingdom Financial Conduct Authority;
“ Scheme ”	this scheme of arrangement in its present form or with or subject to any modification, addition or condition approved or imposed by the Court;
“ Scheme Document ”	the document dated 2 April 2015 sent by Catlin to the holders of Scheme Shares, of which the Scheme forms part;
“ Scheme Record Time ”	6.00 p.m. (London time) on 30 April 2015 or such later time and date as Catlin may determine and announce through a Regulatory Information Service;
“ Scheme Shareholders ”	registered holders of Scheme Shares (including any person entitled thereto by transmission);
“ Scheme Shares ”	the Common Shares: <ul style="list-style-type: none"> (i) in issue at the date of this Scheme; (ii) (if any) issued after the date of this Scheme and before the Voting Record Time; and (iii) (if any) issued at or after the Voting Record Time and before the Scheme Record Time in respect of which the original or any subsequent holder thereof shall be bound by this Scheme or shall by such time have agreed in writing to be bound by this Scheme, and (in each case) remaining in issue at the Scheme Record Time but excluding any and all Excluded Shares, and including the A Shares, B Shares, C Shares and D Shares resulting from the reclassification (or subdivision and reclassification) of such Common Shares);
“ Share Election ”	has the meaning given in Clause 5.3(C);
“ Voting Record Time ”	6.00 p.m. (London time) on 17 April 2015 (or, if the Court Meeting is adjourned, 6.00 p.m. (London time) on the day that is two business days before the day of such adjourned meeting);
“ XL ”	XL Group plc, incorporated in the Republic of Ireland with registered number 482042;
“ XL Group ”	XL and its subsidiary undertakings and associated undertakings from time to time (each within the meaning of the European Communities (Companies: Group Accounts) Regulations 1992 (SI No. 201/1992) of the Republic of Ireland); and
“ XL Shares ”	ordinary shares of 1 cent each in the share capital of XL (ISIN: BMG196F11004).

1.2 References to clauses are to clauses of this Scheme. References to cents are to United States cents. References to pence or pennies are to United Kingdom pence or pennies.

- 1.3 The issued share capital of Catlin at the close of business in Bermuda on 31 March 2015 (being the latest practicable date for obtaining such information) is US\$3,681,220 divided into 368,122,002 Common Shares, all of which are credited as fully paid. No shares were held as treasury shares. Calculations of XL's market capitalisation and enlarged share capital include estimated dilution from XL options of 4,161,330 shares.
- 1.4 The issued share capital of XL at the close of business in New York on 30 March 2015 (being the latest practicable date for obtaining such information) is US\$2,566,836 divided into 256,683,621 ordinary shares of 1 cent each, all of which are credited as fully paid. No shares were held as treasury shares.
- 1.5 As at the close of business in Bermuda on 31 March 2015 (being the latest practicable date for obtaining such information), no member of the XL Group holds or beneficially owns any Common Shares.
- 1.6 XL has agreed to appear by Counsel at the hearing to approve this Scheme and to undertake to the Court to be bound by the provisions of this Scheme and to execute and do or procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it to give effect to this Scheme.

2. Purpose of the Scheme

The purpose of this Scheme is to effect: (i) the reclassification of the Scheme Shares into A Shares, B Shares, C Shares and D Shares, in accordance with elections made by Scheme Shareholders under the Mix and Match Facility; (ii) the cancellation and extinguishing of all of the A Shares, B Shares, C Shares and D Shares; (iii) the issue and allotment of New Common Shares to XL (or its nominee); and (iv) certain related matters.

3. Application and Effectiveness of Scheme

- 3.1 The compromise and arrangement effected by this Scheme shall apply to all Scheme Shares and shall be binding on all Scheme Shareholders.
- 3.2 From the Effective Date, all of the right, title and interest of the Scheme Shareholders in the Scheme Shares shall be subject to the arrangement implemented by the mechanism set out in this Scheme.

4. Reclassification (or subdivision and reclassification) of Scheme Shares

- 4.1 Each of the Scheme Shares shall be reclassified (or subdivided and reclassified) as follows:
 - (A) each Scheme Share in respect of which a valid Cash Election has been made and accepted in accordance with this Scheme under the Mix and Match Facility shall be reclassified into an A Share;
 - (B) each Scheme Share in respect of which a valid Share Election has been made and accepted in accordance with this Scheme under the Mix and Match Facility shall be reclassified into a B Share; and
 - (C) each Scheme Share in respect of which no valid Election has been made (or is deemed not to have been made) in accordance with this Scheme under the Mix and Match Facility shall be subdivided and reclassified into one C Share and one D Share.
- 4.2 The A Shares, B Shares, C Shares and D Shares created by the reclassifications (or subdivisions and reclassifications) to be effected in accordance with Clause 4.1 shall have the rights and be subject to the restrictions set out in the new Bye-Law 60 set out below and, with effect from such reclassifications (or subdivisions and reclassifications), the Bye-Laws will be amended accordingly:

“60 Amount and composition of share capital

60.1 The share capital of the Company is divided into:

- (a) class A common shares of 1 cent each (“A Shares”);*
- (b) class B common shares of 1 cent each (“B Shares”);*
- (c) class C common shares of one half of a cent each (“C Shares”);*
- (d) class D common shares of one half of a cent each (“D Shares”); and*
- (e) common shares of 1 cent each (“Common Shares”).*

60.2 *The A Shares, B Shares, C Shares, D Shares and Common Shares shall rank equally as if they were the same class of shares in all respects and the rights attaching to such shares shall be identical, save that upon the scheme of arrangement dated 2 April 2015 between the Company and the Scheme Shareholders (as defined in such scheme of arrangement) (in its original form or with or subject to any modification, addition or condition approved or imposed by the Court and agreed by XL Group plc (“XL”) and the Company) (the “Scheme”) becoming effective:*

- (a) each A Share shall confer upon the holder thereof the right to receive 710.61 pence in cash, in accordance with and subject to the provisions of the Scheme;*
- (b) each B Share shall confer upon the holder thereof the right to receive 0.28635 of a new ordinary share of 1 cent in the share capital of XL, in accordance with and subject to the provisions of the Scheme;*
- (c) each C Share shall confer upon the holder thereof the right to receive 388 pence in cash, in accordance with and subject to the provisions of the Scheme; and*
- (d) each D Share shall confer upon the holder thereof the right to receive 0.130 of a new ordinary share of 1 cent in the share capital of XL, in accordance with and subject to the provisions of the Scheme.*

60.3 *Any cash and/or New XL Shares to which holders of A Shares, B Shares, C Shares and D Shares become entitled pursuant to the Scheme shall be paid, allotted, issued and delivered in accordance with and subject to the terms of the Scheme.”*

5. Mix and Match Facility

- 5.1 Elections made by Scheme Shareholders under the Mix and Match Facility shall not affect the entitlements of Scheme Shareholders who do not make any such Election.
- 5.2 An Election shall only be accepted under the Mix and Match Facility if made in respect of a whole number of Scheme Shares. Any Election which is made in respect of a number of Scheme Shares that is not a whole number shall be deemed to be made in respect of the nearest whole number of Scheme Shares when rounded down.
- 5.3 The following provisions shall apply:
 - (A) the aggregate number of New XL Shares to be issued to all Scheme Shareholders under the Scheme in accordance with Clause 7 shall not be increased or decreased as a result of Elections made pursuant to this Clause 5, save where required to accommodate rounding down of individual entitlements to the nearest whole Scheme Share;
 - (B) the aggregate amount of cash consideration to be paid to all Scheme Shareholders under this Scheme in accordance with Clause 7 shall not be increased or decreased as a result of elections made pursuant to this Clause 5, save where required to accommodate rounding down of individual entitlements to the nearest whole penny;
 - (C) Elections made by Scheme Shareholders to receive more New XL Shares than they would receive without such an Election (each such Election, a “**Share Election**”) shall be satisfied only to the extent that other Scheme Shareholders make offsetting elections under the Mix and Match Facility to receive more cash than they would receive without such an Election (each such Election, a “**Cash Election**”); and
 - (D) Cash Elections made by Scheme Shareholders will be satisfied only to the extent that other Scheme Shareholders make offsetting Share Elections.
- 5.4 Subject to Clause 5.15, a Scheme Shareholder may make a Cash Election in respect of some of his Scheme Shares and a Share Election in respect of others, and may make a Cash Election or a Share Election in respect of all or part of his holding of Scheme Shares.
- 5.5 (A) To the extent that Share Elections cannot be satisfied in full having regard to the number of offsetting Cash Elections, the aggregate number of Scheme Shares in respect of which Share Elections have been made shall be scaled down (as between the relevant Scheme Shareholders, *pro rata* to the number of Scheme Shares in respect of which they have made Share Elections) until such Share Elections are capable of being satisfied, having regard to the number of offsetting Cash Elections.

- (B) To the extent that Cash Elections cannot be satisfied in full having regard to the number of offsetting Share Elections, the aggregate number of Scheme Shares in respect of which Cash Elections have been made shall be scaled down (as between the relevant Scheme Shareholders, *pro rata* to the number of Scheme Shares in respect of which they have made Cash Elections) until such Cash Elections are capable of being satisfied, having regard to the number of offsetting Share Elections.
- 5.6 Minor adjustments to the entitlements of Scheme Shareholders pursuant to Elections made under this Scheme may be made by Catlin's registrar with the prior consent of Catlin and XL on a basis that Catlin and XL consider to be fair and reasonable to the extent necessary to satisfy all entitlements pursuant to Elections under this Scheme as nearly as may be practicable. Such adjustments shall be final and binding on Scheme Shareholders.
- 5.7 Each Election under the Mix and Match Facility by a holder of Scheme Shares shall be made by completion of a Form of Election that shall be executed by the Scheme Shareholder or his duly authorised agent (or, in the case of a body corporate, executed by an authorised representative). To be effective, a Form of Election must be completed and returned in accordance with the instructions printed thereon so as to arrive at the offices of Catlin's registrar (in its capacity as receiving agent) by the Election Return Time.
- 5.8 If a Form of Election is received by Catlin's registrar (in its capacity as receiving agent) after the Election Return Time or if a Form of Election is received by Catlin's registrar (in its capacity as receiving agent) before such time but is not, or is deemed not to be, valid or complete in all respects at such time, then such Election shall be void unless and to the extent that Catlin and XL, in their absolute discretion, elect to treat any such Form of Election as valid in whole or in part.
- 5.9 Upon execution and delivery by a Scheme Shareholder of a valid Form of Election, such Scheme Shareholder shall be bound by the terms and provisions contained in the Form of Election and by the terms and provisions contained in Part Nine of the Scheme Document entitled "*Notes for Making Elections under the Mix and Match Facility*" commencing on page 112 thereof.
- 5.10 A Form of Election duly completed and delivered in accordance with Clause 5.7 may be withdrawn by notice to Catlin's registrar (in its capacity as receiving agent) in writing to be received by the Election Return Time.
- 5.11 If a Scheme Shareholder delivers more than one Form of Election in respect of his Scheme Shares, in the case of an inconsistency between such Forms of Election, the last Form of Election that is delivered by the Election Return Time shall prevail over any earlier Form of Election. The delivery time for a Form of Election shall be determined on the basis of which Form of Election is last sent or, if Catlin's registrar (in its capacity as receiving agent) is unable to determine which is last sent, is last received. Forms of Election that are sent in the same envelope shall be treated as having been sent and received at the same time, and, in that case, none of them shall be treated as valid (unless Catlin and XL otherwise determine in their absolute discretion).
- 5.12 If a Scheme Shareholder has made a valid single Election in respect of all of his Scheme Shares, then:
- (A) the validity of the Cash Election or the Share Election (as the case may be) shall not be affected by any alteration in the number of Scheme Shares held by the Scheme Shareholder at any time before the Scheme Record Time; and
- (B) accordingly, the Cash Election or the Share Election (as the case may be) shall apply in respect of all of the Scheme Shares that the Scheme Shareholder holds at the Scheme Record Time.
- 5.13 If a Scheme Shareholder has made a valid Cash Election and/or Share Election in respect of a specified number of his Scheme Shares and at the Scheme Record Time the number of Scheme Shares held by the Scheme Shareholder is:
- (A) equal to or greater than the aggregate number of Scheme Shares to which such Election(s) relate(s), then the validity of the Election(s) made by the Scheme Shareholder shall not be affected by any alteration in the number of Scheme Shares held by the Scheme Shareholder at any time before the Scheme Record Time; or

- (B) less than the aggregate number of Scheme Shares to which such Election(s) relate, then:
- (i) if the Scheme Shareholder has made only a valid Cash Election, he shall be treated as having made a Cash Election in respect of his entire holding of Scheme Shares;
 - (ii) if the Scheme Shareholder has made only a valid Share Election, he shall be treated as having made a Share Election in respect of his entire holding of Scheme Shares; and
 - (iii) if the Scheme Shareholder has made both a valid Cash Election and a valid Share Election, then:
 - (a) Share Elections made by the Scheme Shareholder (the “**Relevant Share Elections**”) shall be reduced so as to apply to the number of Scheme Shares produced by multiplying (x) the number of Scheme Shares held by the Scheme Shareholder at the Scheme Record Time by (y) the fraction calculated by dividing the number of Scheme Shares the subject of the Relevant Share Elections by the aggregate number of Scheme Shares the subject of all of the Relevant Share Elections and the Cash Elections made by the Scheme Shareholder, and (where applicable) rounding down the result to the nearest whole number of Scheme Shares; and
 - (b) the Cash Elections made by the Scheme Shareholder shall, if necessary, be reduced so as to apply to all the Scheme Shares held by the Scheme Shareholder at the Scheme Record Time which are not the subject of Share Elections as scaled down pursuant to Clause 5.13(B)(iii)(a).

5.14 The provisions of this Clause 5 shall be subject to any prohibition or condition imposed by law. Without prejudice to the generality of the foregoing, if, in respect of any Overseas Shareholder, Catlin or XL is advised that making the Mix and Match Facility available to such Overseas Shareholder would or may infringe the laws of such jurisdiction or would or may require Catlin or XL to obtain or comply with any governmental or other consent or any registration, filing or other formality which Catlin or XL cannot obtain or is unable to comply with, or which Catlin or XL regards as unduly onerous to obtain or comply with, Catlin or XL may, in its sole discretion, determine that the Mix and Match Facility will not be made available to such Overseas Shareholder and that any purported Election made with respect to any such Scheme Shares shall be invalid.

5.15 Scheme Shares acquired after the date of this Scheme as a result of the vesting (or, where applicable, exercise or deemed exercise) of awards or options under the Catlin Share Schemes may be treated as separate holdings of Scheme Shares and the Mix and Match Facility need not be extended to Scheme Shareholders in respect of such holdings.

6. Cancellation of A Shares, B Shares, C Shares and D Shares

6.1 Contingent upon the reclassifications (or subdivisions and reclassifications) under Clause 4 having taken effect and the requisite entries having been made in Catlin’s register of members, the share capital of Catlin shall be reduced by cancelling and extinguishing all of the A Shares, B Shares, C Shares and D Shares (the “**Reduction of Capital**”).

6.2 Simultaneously but contingent upon the Reduction of Capital taking effect, the reserve arising in the books of account of Catlin as a result of such Reduction of Capital shall be capitalised and applied in paying up in full and at par such number of new Common Shares as shall have an aggregate par value equal to the aggregate par value of the A Shares, B Shares, C Shares and D Shares so cancelled and extinguished (the “**New Common Shares**”), and such New Common Shares shall be allotted and issued to XL (or to its nominee) credited as fully paid and free from liens, charges, encumbrances, rights of pre-emption, rights of set-off and other third party rights of any nature whatsoever and ranking *pari passu* in all respects with each other and with all other Common Shares in issue on the Effective Date, including (without limitation) the right to participate in any dividend or other distribution payable by Catlin by reference to a record date after the Effective Date.

7. Consideration for the cancellation of A Shares, B Shares, C Shares and D Shares

- 7.1 In consideration for the cancellation and extinguishment of the A Shares and the allotment, payment up and issue of the corresponding number of New Common Shares to XL and/or its nominee(s), XL shall pay (or procure that there is paid) to each holder of such A Shares 710.61 pence in cash in respect of each A Share comprised in his holding as is so cancelled and extinguished, in accordance with the provisions of this Scheme.
- 7.2 In consideration for the cancellation and extinguishment of the B Shares and the allotment, payment up and issue of the corresponding number of New Common Shares to XL and/or its nominee(s), XL shall allot and issue to each holder of such B Shares 0.28635 New XL Shares in respect of each B Share comprised in his holding as is so cancelled and extinguished, subject to clause 11.2 and otherwise in accordance with the provisions of this Scheme.
- 7.3 In consideration for the cancellation and extinguishment of the C Shares and the allotment, payment up and issue of the corresponding number of New Common Shares to XL and/or its nominee(s), XL shall pay (or procure that there is paid) to each holder of such C Shares 388 pence in cash in respect of each C Share comprised in his holding as is so cancelled and extinguished in accordance with the provisions of this Scheme.
- 7.4 In consideration for the cancellation and extinguishment of the D Shares and the allotment, payment up and issue of the corresponding number of New Common Shares to XL and/or its nominee(s), XL shall allot and issue to each holder of such D Shares 0.130 New XL Shares in respect of each D Share comprised in his holding as is so cancelled and extinguished, subject to clause 11.2 and otherwise in accordance with the provisions of this Scheme.
- 7.5 The aggregate number of New XL Shares to which a holder of B Shares or D Shares is entitled under this Scheme shall, in each case, be rounded down to the nearest whole number. No fraction of a New XL Share shall be allotted to any holder of B Shares or D Shares, but all fractions to which, but for this Clause 4.5, such holders would have been entitled, shall be aggregated and rounded down to the nearest whole number of New XL Shares, allotted and issued to a person appointed by XL, and sold in the market following the Effective Date and the net proceeds of such sale (after the deduction of all expenses and commissions, including any amounts in respect of value added tax payable thereon) shall be paid to the holder(s) entitled thereto in due proportions, rounded down to the nearest whole penny.
- 7.6 The aggregate cash amount to which a holder of A Shares or C Shares is entitled pursuant to this Scheme shall, in each case, be rounded down to the nearest whole penny. No fraction of a penny shall be paid to any holder of A Shares or C Shares.
- 7.7 The Company shall cause to be furnished to XL (or to XL's registrar or transfer agent) an electronic data file including the register(s) of the holders of the A Shares, B Shares, C Shares and D Shares, in such format as may reasonably be requested by XL to enable XL to satisfy the entitlements of such holders under this Scheme.
- 7.8 If any amount in respect of tax is required to be deducted or withheld by XL or Catlin (or any of their respective subsidiaries) under applicable law or regulation anywhere in the world with respect to the value of any consideration received or receivable by a Scheme Shareholder pursuant to this Scheme or with respect to any amount or benefit received by that Scheme Shareholder on or as a consequence of this Scheme being sanctioned by the Court or becoming effective, then, notwithstanding any other provision of this Scheme, XL and Catlin shall be permitted to deduct or withhold such amount in respect of tax from any cash consideration to be paid to a Scheme Shareholder pursuant to this Scheme. Should such cash consideration be insufficient to meet the requirement to deduct or withhold any amount in respect of tax, then XL may, in its sole discretion and acting in good faith, determine that some or all of the New XL Shares to which such Scheme Shareholder is entitled pursuant to this Scheme shall be sold, in which case the relevant number of such New XL Shares shall not be allotted and/or issued (and depositary interests representing them shall not be delivered) to such Scheme Shareholder under this Scheme but shall instead be allotted and issued, or delivered, to a nominee appointed by XL as trustee for such Scheme Shareholder on terms that the nominee shall, as soon as practicable following the Effective Date, sell the New XL Shares so allotted and issued (or depositary interests representing them) at the best price that can reasonably be obtained at the time of sale and account for the net proceeds of such sale (after the deduction of all expenses and commissions, including any amounts in respect of VAT payable thereon): first, to XL or Catlin (or the relevant subsidiary) that is required to make the deduction or withholding, up to

the amount required to be deducted or withheld; and, second, in respect of the balance of the net proceeds of such sale (if any), to the Scheme Shareholder by sending a cheque or creating a CREST assured payment obligation in accordance with the provisions of Clause 10. In the absence of bad faith or wilful default, none of Catlin, XL or the nominee shall have any liability for any loss or damage arising as a result of the timing or terms of such sale.

8. Dividends

Notwithstanding the reclassification (or subdivision and reclassification) of the Scheme Shares into A Shares, B Shares, C Shares and D Shares, and the subsequent cancellation and extinguishment of the A Shares, B Shares, C Shares and D Shares, Scheme Shareholders shall retain any right they may have with respect to any dividend or other distribution declared by Catlin in favour of the holders of the Common Shares with reference to a record date on or before the Effective Date.

9. Share certificates

From the Effective Date, all certificates representing Scheme Shares shall cease to have effect as documents of title to the Scheme Shares comprised therein and every holder of Scheme Shares shall be bound, at the request of Catlin, to deliver up the same to Catlin, or, as Catlin may direct, to destroy the same.

10. Payment of cash

- 10.1 XL shall procure that any cash to which a holder of A Shares or C Shares becomes entitled pursuant to this Scheme is paid by XL as soon as practicable and in any event within 14 days of the Effective Date in accordance with this Clause 10.
- 10.2 Any and all cash to which a holder of A Shares, B Shares, C Shares or D Shares resulting from the sub-division and/or reclassification of Scheme Shares underlying the depositary interests that are admitted to CREST (“**Depositary Scheme Shares**”) becomes entitled under this Scheme, shall be paid electronically by the creation and fulfilment, by or on behalf of XL, of a CREST assured payment obligation in favour of the holders of the Scheme Depositary Interests (as appearing in the register of the holders of depositary interests as at the Scheme Record Time), as notified by or on behalf of Catlin to XL (or to XL’s registrar or transfer agent) by delivery to XL (or to XL’s registrar or transfer agent) of an electronic data file in such format as may reasonably be requested by XL to enable XL to satisfy such entitlements (“**Scheme Depositary Interests**”). Any and all cash to which a holder of A Shares, B Shares, C Shares or D Shares resulting from the sub-division and/or reclassification of Scheme Shares other than Depositary Scheme Shares shall be paid by way of cheque payable in sterling and drawn on a United Kingdom clearing bank, such cheque to be dispatched within 14 days of the Effective Date.
- 10.3 All cheques shall be drawn from a branch of a UK bank or building society and made payable to the person or persons respectively entitled to the monies represented thereby (except that, in the case of joint holders, XL reserves the right to make such cheques payable to that one of the joint holders whose name stands first in the register of members of Catlin in respect of such joint holding at the Scheme Record Time), and the encashment of any such cheque shall be a complete discharge of XL’s obligation under this Scheme to pay the monies represented thereby.

11. Allotment and issue of New XL Shares

- 11.1 The New XL Shares to which a holder of B Shares or D Shares becomes entitled pursuant to this Scheme shall be allotted and issued by XL on the Effective Date, credited as fully paid and free from liens, charges, encumbrances, rights of pre-emption, rights of set-off and other third party rights of any nature whatsoever and ranking *pari passu* in all respects with each other and with all other XL Shares in issue on the Effective Date, including (without limitation) the right to participate in any dividend or other distribution payable by XL by reference to a record date on or after the Effective Date.
- 11.2 In respect of any and all New XL Shares to which a holder of B Shares or D Shares resulting from the sub-division and/or reclassification of Scheme Shares other than Depositary Scheme Shares becomes entitled under this Scheme, XL shall procure that:
- (A) unless such holders:
- (i) have validly opted out of the nominee arrangement referred to below; or

- (ii) are ineligible to participate in the nominee arrangement referred to below because they are resident in a jurisdiction in which Computershare cannot lawfully offer or operate (or does not have the requisite permit or licence to offer or operate), such nominee arrangement, or for any other reason,

depository interests representing such New XL Shares shall be credited to an account of Computershare as nominee and trustee for and on behalf of such holders (on the terms and subject to the conditions set out in Appendix 2 of the Scheme Document) and a statement of entitlement in respect of their holding of such depository interests representing New XL Shares shall be dispatched by Computershare to such holders as soon as practicable and in any event within 14 days after the Effective Date; or

- (B) if clauses 11.2(A)(i) or (ii) applies, or if XL and Catlin otherwise so agree, such New XL Shares shall be allotted and issued to such holders through the Direct Registration System or directly by XL and a statement of entitlement in respect of their holding of New XL Shares shall be dispatched by Computershare to such holders as soon as practicable and in any event within 14 days after the Effective Date.

11.3 In respect of any and all New XL Shares to which a holder of B Shares or D Shares resulting from the sub-division and/or reclassification of Depository Scheme Shares becomes entitled under this Scheme, XL shall procure that the CREST accounts of the holders of the Scheme Depository Interests are credited with entitlements to depository interests representing such New XL Shares (or, if XL and Catlin so agree, that such New XL Shares are allotted and issued to such holders through the Direct Registration System or directly by XL and a statement of entitlement in respect of their holding of New XL Shares shall be dispatched by Computershare to such holders) as soon as practicable and in any event within 14 days after the Effective Date. Note that to the extent New XL Shares are held in the Direct Registration System, then by virtue of the terms of the Offer, upon any future transfer of such XL Shares, the transferor of such shares shall be deemed to have irrevocably appointed the Secretary or Assistant Secretary of XL (or any duly authorised delegate or attorney of the Secretary or Assistant Secretary) as its agent to execute, complete and deliver an instrument of transfer in the name of and on behalf of such transferor.

11.4 The provisions of this Clause 11 shall be subject to any prohibition or condition imposed by law. Without prejudice to the generality of the foregoing, if, in respect of any Overseas Shareholder, XL is advised that the allotment and/or issue of New XL Shares (or delivery of depository interests representing them) pursuant to this Scheme would or may infringe the laws of such jurisdiction or would or may require XL to obtain or comply with any governmental or other consent or any registration, filing or other formality which XL is unable to obtain or comply with, or which XL regards as unduly onerous to obtain or comply with, XL may, in its sole discretion, either:

- (A) determine that the New XL Shares shall not be allotted and/or issued (and depository interests representing them shall not be delivered) to such Overseas Shareholder under this Scheme but shall instead be allotted and issued, or delivered, to a nominee appointed by XL as trustee for such Overseas Shareholder on terms that the nominee shall, as soon as practicable following the Effective Date, sell the New XL Shares so allotted and issued (or depository interests representing them) at the best price that can reasonably be obtained at the time of sale and account for the net proceeds of such sale (after the deduction of all expenses and commissions, including any amounts in respect of value added tax payable thereon) by sending a cheque or creating a CREST assured payment obligation in accordance with the provisions of Clause 10. In the absence of bad faith or wilful default, none of Catlin, XL or the nominee shall have any liability for any loss or damage arising as a result of the timing or terms of such sale; or
- (B) determine that the New XL Shares (or depository interests representing them) shall be sold, in which event the New XL Shares shall be allotted and issued (or depository interests representing them be delivered) to such Overseas Shareholder and XL shall appoint a person to act pursuant to this Clause 11.3(B) and such person shall be authorised on behalf of such Overseas Shareholder to procure that any New XL Shares in respect of which XL has made such determination (or depository interests representing them) shall, as soon as practicable following the Effective Date, be sold at the best price that can reasonably be obtained at the time of sale and the net proceeds of such sale (after

the deduction of all expenses and commissions, including any amounts in respect of value added tax payable thereon) shall be paid to such Overseas Shareholder by sending a cheque or creating an assured payment obligation in accordance with the provisions of Clause 10. To give effect to any such sale, the person so appointed shall be authorised on behalf of such overseas shareholder to execute and deliver a form of transfer and to give such instructions and to do all other things that it or he may consider necessary or expedient in connection with such sale. In the absence of bad faith or wilful default, none of Catlin, XL or the person so appointed shall have any liability for any loss or damage arising as a result of the timing or terms of such sale.

- 11.5 If any Scheme Shareholder is a body corporate that would be prohibited under section 32 of the Republic of Ireland Companies Act 1963 (as amended) from being a shareholder of XL (a “**Restricted Person**”) (provided that any such body corporate will only be a Restricted Person to the extent of such prohibition), the provisions of Clause 11.4 (with the necessary modifications) shall apply in respect of the allotment and/or issue of the New XL Shares (or delivery of depositary interests representing them) to which that Scheme Shareholder is entitled.
- 11.6 Before the issue of statements of entitlement in respect of New XL Shares allotted and issued pursuant to this Scheme, transfers of such New XL Shares shall be certified against the register of members of XL.

12. Dispatch of documents

- 12.1 All deliveries of notices, documents of title and cheques or statements of entitlement required to be made pursuant to this Scheme shall be effected by sending the same by first class post in pre-paid envelopes addressed to the person(s) entitled thereto at their respective addresses as appearing in the register of members of Catlin or, in the case of joint holders, at the address of that one of the joint holders whose name stands first in such register in respect of such joint holding at the Scheme Record Time.
- 12.2 None of Catlin, XL or their respective agents or nominees shall be responsible for any loss or delay in the transmission or delivery of the documents of title or any cheques or statements of entitlement sent in accordance with this Scheme, which shall be sent at the risk of the person(s) entitled thereto.

13 Mandates

Each mandate relating to the payment of dividends on any Scheme Shares, as well as any communication preferences and all other instructions given (or deemed to have been given) to Catlin by holders of Scheme Shares in certificated form in force at the Scheme Record Time relating to such holdings of Scheme Shares shall, unless and until revoked or amended by the Scheme Shareholder concerned and unless inconsistent with any mandates and instructions to XL in respect of existing holdings of XL Shares, be deemed from the Effective Date to be valid and effective mandates and instructions to XL in relation to the New XL Shares issued to such Scheme Shareholder in respect of such holding of Scheme Shares in certificated form, and who receive New XL Shares through the nominee service referred to in Clause 11.2(A).

14. Operation of this Scheme

- 14.1 This Scheme shall become effective upon a copy of the order sanctioning this Scheme being delivered to the Registrar for registration in accordance with section 99(3) of the Act.
- 14.2 Unless this Scheme has become effective on or before 9 October 2015, or such later date, if any, as Catlin and XL may agree and the Court and the Code Committee or Code Expert may allow, this Scheme shall never become effective.
- 14.3 The Company and XL may jointly consent on behalf of all persons concerned to any modification of or addition to this Scheme or to any condition that the Court may approve or impose.

15. Governing Law

- 15.1 At and with effect from the Effective Date, the operative terms of this Scheme shall be governed by, and construed in accordance with, the laws of Bermuda and Catlin, Scheme Shareholders and XL hereby agree that the Courts of Bermuda shall have jurisdiction to hear and determine any suit, action or proceeding and to settle any dispute which arises out of or in connection

with the terms of this Scheme or their implementation or out of any action taken or omitted to be taken under this Scheme or in connection with the administration of this Scheme and for such purposes, the Scheme Shareholders and XL irrevocably submit to the jurisdiction of the Courts of Bermuda, provided, however, that nothing in this clause shall affect the validity of other provisions determining governing law and jurisdiction as between Catlin and the Scheme Shareholders, whether contained in any contract or otherwise.

15.2 The terms of this Scheme and the obligations imposed on Catlin hereunder shall take effect subject to any prohibition or condition imposed by any applicable law.

Dated 2 April 2015

PART FIVE: FINANCIAL INFORMATION

1. Catlin

The following information is incorporated by reference into this Scheme Document and is available on Catlin's website at www.catlin.com. A Catlin Shareholder may request a copy of such information in hard copy form. Hard copies may be requested by contacting the Catlin Group Limited Shareholder Helpline on 0333 300 1573 from within the UK or on + 44 333 300 1573 if calling from outside the UK.

- Catlin's Annual Report 2014, containing Catlin's audited consolidated financial statements for the year ended 31 December 2014, together with the audit report in respect of that period and a discussion of Catlin's financial performance (see information incorporated by reference in the table below);
- Catlin's Annual Report 2013, containing Catlin's audited consolidated financial statements for the year ended 31 December 2013, together with the audit report in respect of that period and a discussion of Catlin's financial performance (see information incorporated by reference in the table below); and
- Catlin's Annual Report 2012, containing Catlin's audited consolidated financial statements for the year ended 31 December 2012, together with the audit report in respect of that period and a discussion of Catlin's financial performance (see information incorporated by reference in the table below).

Information incorporated by reference into this Scheme Document	Reference document	Page number in reference document
For the year ended 31 December 2014⁽¹⁾		
Independent Auditor's report.....	Catlin's Annual Report 2014	87
Consolidated balance sheets.....	Catlin's Annual Report 2014	88
Consolidated income statements.....	Catlin's Annual Report 2014	89
Consolidated statements of comprehensive income.....	Catlin's Annual Report 2014	90
Consolidated statements of changes in stockholders' equity.....	Catlin's Annual Report 2014	91
Consolidated statements of cash flows.....	Catlin's Annual Report 2014	92
Notes to the consolidated financial statements.....	Catlin's Annual Report 2014	93
For the year ended 31 December 2013⁽²⁾		
Independent Auditor's report.....	Catlin's Annual Report 2013	77
Consolidated balance sheets.....	Catlin's Annual Report 2013	78
Consolidated income statements.....	Catlin's Annual Report 2013	79
Consolidated statements of comprehensive income.....	Catlin's Annual Report 2013	80
Consolidated statements of changes in stockholders' equity.....	Catlin's Annual Report 2013	81
Consolidated statements of cash flows.....	Catlin's Annual Report 2013	82
Notes to the consolidated financial statements.....	Catlin's Annual Report 2013	83
For the year ended 31 December 2012⁽³⁾		
Report of the Independent Auditors.....	Catlin's Annual Report 2012	79
Consolidated balance sheets.....	Catlin's Annual Report 2012	80
Consolidated income statements.....	Catlin's Annual Report 2012	81
Consolidated statements of comprehensive income.....	Catlin's Annual Report 2012	82
Consolidated statements of changes in stockholders' equity.....	Catlin's Annual Report 2012	83
Consolidated statements of cash flows.....	Catlin's Annual Report 2012	84
Notes to the consolidated financial statements.....	Catlin's Annual Report 2012	85

Notes:

(1) http://www.catlin.com/~media/downloads/investors/reports/2014/2014_catlin_group_limited_annual_report_and_accounts.ashx

(2) <http://www.catlin.com/~media/downloads/investors/reports/2013/catlinannualreport2013.ashx>

(3) <http://www.catlin.com/~media/downloads/investors/reports/2012/2012%20annual%20report.ashx>

2. XL

The following information is incorporated by reference into this Scheme Document and is available on XL's website at www.xlgroup.com. A Catlin Shareholder may request a copy of such information in hard copy form (hard copies will not be provided unless requested). Hard copies may be requested by contacting Scott Hopkins of Skadden, Arps, Slate, Meagher & Flom, tel: +44 20 7519 7000.

- XL's Form 8-K filed on 31 October 2014; and
- XL's Form 10-K in respect of the year ended 2014.

XL recast its consolidated financial statements for the year ended 31 December 2013 to reflect changes in XL's reportable segments as a result of the sale of 100% of the common shares of XL's wholly owned subsidiary, XLLR, to GreyCastle Holdings Ltd. Due to this recasting, the documents above contain, together, the audited and consolidated financial information for the XL Group for the financial years ended 31 December 2012, 31 December 2013 and 31 December 2014, together with the audit report in respect of each year.

Information incorporated by reference into this Scheme Document	Reference document	Page number in reference document
For the financial year ended 31 December 2014⁽¹⁾		
Report of Independent Registered Public Account Firm	XL's 10K 2014	214
Consolidated Balance Sheets as at 31 December 2014 ..	XL's 10K 2014	121
Consolidated Statements of Income for the year ended 31 December 2014	XL's 10K 2014	122
Consolidated Statements of Shareholders' Equity for the year ended 31 December 2014	XL's 10K 2014	124
Consolidated Statements of Cash Flows for the year ended 31 December 2014.....	XL's 10K 2014	125
Notes to the consolidated financial statements	XL's 10K 2014	127
For the year ended 31 December 2013⁽²⁾		
Report of Independent Registered Public Account Firm	XL's Form 8-K	Part II, page 84
Consolidated Balance Sheets as at 31 December 2013 ..	XL's Form 8-K	Part II, page 2
Consolidated Statements of Income for the year ended 31 December 2013	XL's Form 8-K	Part II, page 3
Consolidated Statements of Shareholders' Equity for the year ended 31 December 2013	XL's Form 8-K	Part II, page 5
Consolidated Statements of Cash Flows for the year ended 31 December 2013.....	XL's Form 8-K	Part II, page 6
Notes to the consolidated financial statements	XL's Form 8-K	Part II, page 8

Notes:

(1) <http://services.corporate-ir.net/SEC.Enhanced/SecCapsule.aspx?c=73041&fid=9951260>

(2) <http://services.corporate-ir.net/SEC.Enhanced/SecCapsule.aspx?c=73041&fid=9728900>

PART SIX: ADDITIONAL INFORMATION FOR OVERSEAS SHAREHOLDERS

1. General

This Scheme Document has been prepared to comply with Bermuda and English law and with the Listing Rules and the information disclosed may not be the same as that which would have been disclosed if this Scheme Document had been prepared in accordance with the laws of jurisdictions other than the UK and Bermuda.

It is the responsibility of any person into whose possession this Scheme Document comes to satisfy themselves as to the full observance of the laws of any relevant jurisdiction in connection with the Offer and the Scheme, including the obtaining of any governmental, exchange control or other consents which may be required and/or compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes or levies due in such jurisdiction.

This Scheme Document does not constitute an offer to sell or issue or the solicitation of an offer to buy or subscribe for shares in any jurisdiction in which such offer or solicitation is unlawful.

Overseas Shareholders should consult their own legal and tax advisers with respect to the legal and tax consequences of the Scheme.

2. Overseas Shareholders

In any case where an Overseas Shareholder has a registered address, or is incorporated or resident in, a Restricted Jurisdiction or where XL or Catlin is advised that granting of the right to make an election under the Mix and Match Facility or the issue of New XL Shares to an Overseas Shareholder would or may infringe the laws of any jurisdiction outside Bermuda, the UK, the US and the Republic of Ireland or would or may require XL or Catlin to obtain or comply with any governmental or other consent or any registration, filing or other formality (including ongoing requirements) which XL or Catlin is unable to obtain or to comply with, or which XL or Catlin regards as unduly onerous to obtain or comply with, XL may, in its sole discretion, determine that:

- (i) no election under the Mix and Match Facility shall be valid or accepted in respect of such Overseas Shareholder;
- (ii) the New XL Shares shall instead be issued to a nominee appointed by XL on behalf of such holder on terms that the nominee shall, as soon as reasonably practicable following the Effective Date, sell the New XL Shares so issued with the net proceeds of such sale being remitted to such Overseas Shareholder; or
- (iii) the New XL Shares shall be issued to and sold on behalf of such shareholder with the net proceeds of such sale being remitted to such shareholder.

Overseas Shareholders with a registered address in a Restricted Jurisdiction will not be sent XL's Irish Prospectus or Form of Election and will not be entitled to participate in the Mix and Match Facility.

3. US Securities Laws

3.1 Exemption from registration under the US Securities Act

The New XL Shares to be issued to Scheme Shareholders under the Scheme will be issued in reliance upon the exemption from the registration requirements of the US Securities Act provided by section 3(a)(10) thereof and, as a consequence, will not be registered thereunder or under the securities laws of any state or other jurisdiction of the US. Neither the SEC nor any state securities commission has approved or disapproved the XL Shares or passed upon the accuracy or adequacy of this Scheme Document, XL's Irish Prospectus or any of the accompanying documents. Any representation to the contrary is a criminal offence in the US.

For the purpose of qualifying for the exemption from the registration requirements of the US Securities Act (as described above), Catlin will advise the Court that its approval of the Scheme will be relied upon by XL as an approval of the Scheme following a hearing on its fairness to Scheme Shareholders, at which hearing all such holders are entitled to attend in person or through representation to support or oppose the approval of the Scheme and with respect to which notification has been given to all such holders.

3.2 Certain US transfer restrictions

Scheme Shareholders who are or will be “affiliates” (as such term is defined in Rule 144 under the US Securities Act) of XL during the 90 days prior to the Effective Date, or of XL after the Effective Date, will be subject to certain US transfer restrictions relating to XL Shares received pursuant to the Scheme. Under US securities laws, a holder of Scheme Shares who is deemed to be an affiliate of XL before completion of the Scheme, or of XL after completion of the Scheme, may not resell New XL Shares received pursuant to the Scheme without registration under the US Securities Act, except pursuant to (i) the applicable resale provisions of Rule 144 promulgated under the US Securities Act, or (ii) another applicable exemption from the registration requirements of the US Securities Act, or (iii) in a transaction not subject to such requirements. Whether a person is an affiliate of a company for such purposes depends upon the circumstances, but affiliates of a company can include certain officers and directors and significant shareholders. The Catlin Directors and the XL Directors are for those purposes affiliates of Catlin and XL respectively prior to the Effective Date, and may become affiliates of XL after the Effective Date, and may not sell or otherwise dispose of any New XL Shares received by them pursuant to the Scheme, except as set out above.

3.3 Enforcement of US Judgments

XL and Catlin are incorporated under the laws of the Republic of Ireland and Bermuda, respectively. In addition, some of their respective officers and directors reside outside the US, and all or much of their assets are or may be located in jurisdictions outside the US. Therefore, investors may have difficulty effecting service of process within the US upon those persons or recovering against XL, Catlin or their respective officers or directors on judgments of US courts, including judgments based upon the civil liability provisions of the US federal securities laws. It may not be possible to sue XL or Catlin or their respective officers or directors in a non-US court for violations of the US securities laws. There is also doubt as to enforceability in the Republic of Ireland and in Bermuda, in original actions or in actions for enforcement, of the judgments of US courts, based on the civil liability provisions of US federal securities laws. In particular, there is no treaty between the Republic of Ireland and the US providing for the reciprocal recognition and enforcement of foreign judgments, and there is no treaty in force between the US and Bermuda providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters.

PART SEVEN: TAXATION

1. Bermuda Taxation

The Scheme will not result in any profits or corporate, withholding, capital gains, capital transfer, estate duty, stamp duty or inheritance tax consequences under Bermuda law to Catlin or XL or their respective shareholders. Neither will the Scheme result in there being any income or other tax of Bermuda imposed by withholding or otherwise on any dividend or other distribution to be paid to Catlin Shareholders or Scheme Shareholders.

2. UK Taxation

The comments set out below summarise certain limited aspects of the UK taxation treatment of Scheme Shareholders under the Scheme and of Catlin Shareholders in respect of the ITB Special Dividend only (unless the context otherwise requires) and do not purport to be a complete analysis of all tax considerations relating to the Scheme or the ITB Special Dividend. They are based on current UK legislation and what is understood to be current HMRC practice, both of which are subject to change, possibly with retrospective effect.

The comments are intended as a general guide and apply only to Scheme Shareholders or Catlin Shareholders (as appropriate) who are resident in the UK for UK tax purposes, who hold Scheme Shares or Catlin Shares (as appropriate) as an investment (other than under a self-invested personal pension plan, an Individual Savings Account or a New Individual Savings Account) and who are the absolute beneficial owners of their Scheme Shares or Catlin Shares (as appropriate). These comments do not deal with certain types of shareholders (such as charities, persons holding or acquiring shares in the course of trade or persons who have or could be treated for tax purposes as having acquired their Scheme Shares or Catlin Shares (as appropriate) by reason of their employment), collective investment schemes and insurance companies. Scheme Shareholders and Catlin Shareholders (as appropriate) who are in any doubt about their taxation position, or who are resident or otherwise subject to taxation in a jurisdiction outside the UK, should consult an appropriate independent professional tax adviser immediately.

2.1 UK taxation of chargeable gains (“CGT”)

2.1.1 *Reclassification of Catlin Shares*

The reclassification of the share capital of Catlin, whereby the Scheme Shares will be reclassified into A Shares, B Shares, C Shares and D Shares, should be regarded as a reorganisation of Catlin’s share capital. Accordingly, Scheme Shareholders who are resident in the UK should not be treated as having disposed of their Scheme Shares and no liability to UK tax on chargeable gains should arise in respect of this reclassification. The A Shares, B Shares, C Shares, and D Shares should be treated, for the purposes of UK taxation of chargeable gains, as the same asset as the original Scheme Shares, acquired for the same amount and at the same time as the original Scheme Shares were acquired.

The allowable cost to the Scheme Shareholder of acquiring his relevant Scheme Shares will be apportioned between the A Shares, B Shares, C Shares or D Shares (as the case may be) received upon such reclassification, by reference to the respective market values of A Shares, B Shares, C Shares or D Shares (as the case may be) at the Effective Date.

2.1.2 *Receipt of New XL Shares on cancellation of B Shares and D Shares under the Scheme*

Subject to the following paragraphs, for CGT purposes, the cancellation of B Shares and D Shares and the allotment and issue of New XL Shares to Scheme Shareholders in respect thereof should be treated as a reorganisation. Accordingly, Scheme Shareholders should qualify for “United Kingdom rollover relief” to the extent that they received New XL Shares in consideration for the cancellation of their B Shares and/or D Shares pursuant to the Scheme. To the extent that holders of B Shares and/or D Shares qualify for “United Kingdom rollover relief”, they should not be treated as having made a disposal of their B Shares and/or D Shares for CGT purposes as a result of the cancellation, and the New XL Shares issued to them should be treated as the same asset, and as having been acquired at the same time and for the same consideration, as the cancelled B Shares and/or D Shares (as appropriate).

Scheme Shareholders who, alone or together with persons connected with them, hold more than five per cent. of, or of any class of, Scheme Shares or debentures of XL will be eligible for the above treatment provided that the Scheme is effected for *bona fide* commercial reasons and does not form part of a scheme or arrangement of which the main purpose, or one of the main purposes, is an avoidance of liability to capital gains tax or corporation tax. Scheme Shareholders are advised that

HMRC has provided a clearance under section 138 of the Taxation of Chargeable Gains Act 1992 which confirms that HMRC is satisfied that the Scheme will be effected for *bona fide* commercial reasons and will not form part of any such scheme or arrangements.

2.1.3 Receipt of cash for A and C Shares under the Scheme

To the extent that a Scheme Shareholder receives cash under the terms of the Scheme in respect of his A Shares and C Shares, this should, except to the extent referred to in the next paragraph, be treated as part disposal of such A Shares and C Shares which may, depending on the Scheme Shareholder's individual circumstances, give rise to a CGT liability. Any chargeable gain on a part disposal of a holding of A Shares and C Shares should be computed on the basis of an apportionment of the allowable cost of the holding by reference to the market value of the holding at the time of disposal.

If a Scheme Shareholder receives New XL Shares as well as cash consideration and the amount of cash received is small in comparison with the value of his Scheme Shares, the Scheme Shareholder may not be treated as having disposed of the Scheme Shares in respect of which the cash was received. Instead the cash should be treated as a deduction from the base cost of his Scheme Shares rather than as a part disposal.

Under current HMRC practice, any cash payment of £3,000 or less or which is 5 per cent. or less of the market value of a Scheme Shareholder's holding of Scheme Shares should generally be treated as small for these purposes.

A subsequent disposal of all or any New XL Shares may result in a CGT liability depending on individual circumstances.

2.2 Taxation of dividends

2.2.1 Dividends paid by Catlin to individuals

A UK resident individual Catlin Shareholder who receives the ITB Special Dividend from Catlin will be entitled to a tax credit which may be set off against the Catlin Shareholder's total income tax liability. The tax credit will be equal to 10 per cent. of the aggregate of the ITB Special Dividend and the tax credit (the "**gross dividend**"), which is also equal to one ninth of the cash received. Such an individual Catlin Shareholder who is liable to income tax at the basic rate will be subject to tax on the ITB Special Dividend at the rate of 10 per cent. of the gross dividend, so that the tax credit will satisfy in full such Catlin Shareholder's liability to income tax on the ITB Special Dividend.

In the case of an individual Catlin Shareholder who is liable to income tax at the higher rate, the tax credit will be set against but not fully match the Catlin Shareholder's tax liability on the gross dividend and such Catlin Shareholder will have to account for additional income tax equal to 22.5 per cent. of the gross dividend (which is also equal to 25 per cent. of the cash received) to the extent that the gross dividend when treated as the top slice of the Catlin Shareholder's income falls above the threshold for higher rate income tax.

In the case of an individual Catlin Shareholder who is subject to income tax at the additional rate, the tax credit will also be set against but not fully match the Catlin Shareholder's liability on the gross dividend and such Catlin Shareholder will have to account for additional income tax equal to 27.5 per cent. of the gross dividend (which is also equal to approximately 30.56 per cent. of the cash received) to the extent that the gross dividend when treated as the top slice of the Catlin Shareholder's income falls above the threshold for additional rate income tax.

A UK resident individual Catlin Shareholder who is not liable to income tax in respect of the gross dividend and other UK resident taxpayers who are not liable to UK tax on dividends will not be entitled to claim repayment of the tax credit attaching to the ITB Special Dividend paid by Catlin.

2.2.2 Dividends paid by Catlin to companies

Catlin Shareholders who are within the charge to corporation tax will be subject to corporation tax on the ITB Special Dividend paid by Catlin, unless (subject to special rules for such Catlin Shareholders that are small companies) the ITB Special Dividend falls within an exempt class and certain other conditions are met. Each Catlin Shareholder's position will depend on its own individual circumstances, although it would normally be expected that the ITB Special Dividend paid by Catlin would fall within an exempt class. Such Catlin Shareholders will not be able to claim repayment of tax credits attaching to the ITB Special Dividend. New XL Shareholders will need to ensure that they satisfy the requirements of an exempt class before treating any dividend as exempt, and seek appropriate professional advice where necessary.

2.2.3 Dividends paid by XL

The UK tax position of Scheme Shareholders in respect of dividends paid by XL should be similar to that which would have applied had they continued to hold and receive dividends on Catlin Shares.

2.3 UK stamp duty and stamp duty reserve tax (“SDRT”)

No UK stamp duty or SDRT should generally be payable by Scheme Shareholders on the cancellation of their Scheme Shares or the issue of New XL Shares under the Scheme.

No UK stamp duty should be payable in respect of any transfer of New XL Shares provided that any instrument of transfer is not executed in the UK and does not relate to any property situate, or to any matter or thing done, or to be done, in the UK.

No SDRT should be payable in respect of agreement to transfer New XL Shares or depositary interests representing New XL Shares, provided that the New XL Shares are not registered in any register maintained in the UK by or on behalf of XL and in respect of any depositary interests representing New XL Shares, provided further that XL is not centrally managed and controlled in the U.K. and that the New XL Shares are listed on a recognised stock exchange (within the meaning given by section 1137(1) of the Corporation Tax Act 2010).

2.4 UK taxation of non-UK resident shareholders

Subject to the paragraph below (dealing with temporary non-residents), Scheme Shareholders who are not resident in the UK for UK tax purposes will not generally be subject to UK tax on chargeable gains upon transfer of their Scheme Shares in return for cash, unless they carry on a trade, profession or vocation in the UK through a branch or agency or (in the case of a company) permanent establishment and the Scheme Shares disposed of are used or held for the purposes of that branch, agency or permanent establishment.

A Scheme Shareholder who is an individual and who is temporarily non-resident for tax purposes in the UK may, in certain circumstances, be subject to UK taxation.

3. US Taxation

The following discussion summarises certain material US federal income tax consequences of the closing of the Scheme of Arrangement pursuant to the Offer and the merger of XL Sub and Catlin pursuant to section 104H of the Companies Act and the Merger Agreement, to be effected immediately following the Scheme becoming effective (the “**Merger**”, and, together with the closing of the Scheme of Arrangement, the “**Transaction**”) to US holders (as defined below) and of the ownership and disposition of XL Shares received by such holders upon the consummation of the Transaction. The discussion is based on and subject to the Internal Revenue Code of 1986, as amended (the “**IRS Code**”), the Treasury Regulations promulgated thereunder, administrative rulings and court decisions in effect on the date hereof, all of which are subject to change, possibly with retroactive effect, and to differing interpretations. No legal opinion from US legal counsel or ruling from the US Internal Revenue Service (the “**IRS**”) has been requested, or is expected to be obtained, regarding the US federal income tax consequences described herein. This discussion is not binding on the IRS or any court, and there can be no assurance that the IRS will not take a contrary position or that any contrary position taken by the IRS will not be sustained by a court. The discussion also assumes that the Transaction is carried out as described in this Scheme Document and that the Transaction is not integrated with any other transaction for US federal income tax purposes (including the dividends to be paid by Catlin). The discussion assumes that US holders hold their Catlin Shares, and will hold their XL Shares, as “capital assets” within the meaning of Section 1221 of the IRS Code (generally, property held for investment).

The discussion does not constitute tax advice and does not purport to address all aspects of US federal income taxation that may be relevant to particular shareholders in light of their personal circumstances, including any tax consequences arising under the unearned income Medicare contribution tax pursuant to the Health Care and Education Reconciliation Act of 2010, or to shareholders subject to special treatment under the IRS Code, including:

- banks, thrifts, mutual funds and other financial institutions;
- regulated investment companies;
- traders in securities who elect to apply a mark-to-market method of accounting;

- broker-dealers;
- tax-exempt organisations and pension funds;
- insurance companies;
- dealers or brokers in securities or foreign currency;
- individual retirement and other deferred accounts;
- US holders whose functional currency is not the US dollar;
- US expatriates;
- holders of XL Shares who own, actually or constructively, at least 5 per cent. of XL by vote or value immediately after the Transaction;
- passive foreign investment companies (“PFICs”) or controlled foreign corporations (“CFCs”);
- persons liable for the alternative minimum tax;
- holders who hold their shares as part of a straddle, hedging, conversion, constructive sale or other risk reduction transaction;
- holders other than US holders;
- partnerships or other pass-through entities; and
- holders who received their shares through the exercise of employee stock options or otherwise as compensation or through a tax-qualified retirement plan.

This discussion does not address any non-income tax considerations or any foreign, state or local tax consequences. For purposes of this discussion, a US holder means a beneficial owner of Catlin Shares at the time of the Transaction or, as the context may require, a beneficial owner of XL Shares received as a result of the Transaction, that is:

- an individual who is a citizen or resident of the US;
- a corporation (or other entity taxable as a corporation for US federal income tax purposes) created or organised in the US or under the laws of the US or any state thereof or the District of Columbia;
- an estate the income of which is includible in gross income for US federal income tax purposes regardless of its source; or
- a trust if (1) a court within the US is able to exercise primary supervision over the administration of the trust and one or more US persons have the authority to control all substantial decisions of the trust, or (2) the trust has a valid election in effect under applicable Treasury Regulations to be treated as a US person for US federal income tax purposes.

If a partnership, including for this purpose any entity or arrangement that is treated as a partnership or other “pass-through” entity for US federal income tax purposes, holds Catlin Shares at the time of the Transaction or XL Shares after the Transaction, the tax treatment of a partner in such partnership will generally depend upon the status of the partner and the activities of the partnership. A holder that is a partnership and the partners (or other owners) in such partnership should consult their tax advisers about the US federal income tax consequences of the Transaction and the ownership and disposition of XL Shares.

THIS SUMMARY IS PROVIDED FOR GENERAL INFORMATION PURPOSES ONLY AND IS NOT INTENDED TO BE, AND SHOULD NOT BE CONSTRUED AS, LEGAL OR TAX ADVICE TO ANY HOLDER OF CATLIN OR XL SHARES. CATLIN SHAREHOLDERS SHOULD CONSULT WITH THEIR OWN TAX ADVISERS REGARDING THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE TRANSACTION AND OF THE OWNERSHIP AND DISPOSITION OF XL SHARES AFTER THE TRANSACTION (INCLUDING THE APPLICATION AND EFFECT OF US FEDERAL, STATE, LOCAL OR NON-US AND OTHER TAX LAWS AND ANY APPLICABLE INFORMATION REPORTING OBLIGATIONS).

3.1 US federal income tax consequences of the Transaction

3.1.1 Generally

The US federal income tax consequences to a US holder with respect to the Transaction depend in part on whether the Scheme of Arrangement and the Merger are characterised as a single,

integrated transaction or as separate transactions for US federal income tax purposes, and whether the Transaction otherwise qualifies as a reorganization for US federal income tax purposes. To qualify as a reorganization for US federal income tax purposes, the Transaction must satisfy certain statutory and non-statutory requirements. Qualification will depend on many factors for which no covenant or representation has been provided by XL or Catlin, including the mix of consideration to be paid and its value on the relevant testing date and the continuity of Catlin's business after the Effective Date. There can be no assurance that these requirements will be met and that the Transaction will in fact qualify as a reorganization. Following the closing, XL intends to make available to its shareholders information regarding the qualification of the Transaction as a reorganization within the meaning of Section 368(a) of the IRS Code for US federal income tax purposes. For purposes of the following summary it is assumed, except as otherwise noted, that the Scheme of Arrangement and the Merger will be characterised as a single, integrated transaction that qualifies as a reorganization for US federal income tax purposes.

Assuming the Scheme of Arrangement and the Merger are treated as part of an integrated transaction, and that Transaction otherwise qualifies as a reorganization within the meaning of Section 368(a) of the IRS Code for US federal income tax purposes, a US holder will generally recognise gain (but not loss) in an amount equal to the lesser of (i) the fair market value of cash consideration received in the Scheme of Arrangement, and (ii) the excess, if any, of (a) the sum of the fair market value of cash consideration and fair market value of the XL Shares received by such US holder (including the fair market value of any fractional share deemed received), over (b) the US holder's tax basis in the Catlin Shares exchanged therefore. For this purpose, US holders must calculate gain (or disallowed loss) separately for each block of Catlin Shares exchanged (that is, Catlin Shares acquired at the same cost in a single transaction). Cash consideration received in lieu of a fractional share of XL is not taken into account in making these computations of gain recognised in the Scheme of Arrangement. Rather, such cash consideration received in lieu of a fractional share is treated in the manner described below.

Subject to the PFIC rules and the potential application of Section 1248 of the IRS Code, discussed below, any gain recognised in the Transaction generally will be treated as capital gain, unless the receipt of property by a US holder has the effect of a distribution of a dividend for US federal income tax purposes (as discussed below). Any such capital gain will be long-term capital gain if the US holder has held the Catlin Shares for more than one year at the time of such exchange. Long-term capital gain of non-corporate shareholders is generally subject to tax at preferential rates. If the receipt of cash has the effect of the distribution of a dividend, the gain will be treated as dividend income to the extent of the US holder's rateable share of Catlin's accumulated earnings and profits as calculated for US federal income tax purposes. Any gain of a US holder which is treated as dividend income will generally be subject to US federal income tax as ordinary income. A corporate US holder will not be entitled to a dividends received deduction for any gain which is treated as dividend income.

The aggregate tax basis of the XL Shares received by a US holder in the Transaction (including the basis in any fractional share of XL Shares deemed received) will be the same as the aggregate tax basis of the US holder's Catlin Shares exchanged in the Scheme of Arrangement, decreased by the amount of cash consideration received (excluding any cash consideration received in lieu of a fractional share) and increased by the amount of gain recognised in the Transaction (excluding any gain recognised with respect to cash consideration received in lieu of a fractional share). The holding period of the XL Shares received by a US holder pursuant to the Transaction will include the holding period of the Catlin Shares exchanged in the Scheme of Arrangement. If US holders acquired different blocks of Catlin Shares at different times or at different prices, such US holders' tax basis and holding period in their XL Shares may be determined with reference to each block of Catlin Shares exchanged.

In general, the determination as to whether gain recognised by a US holder has the effect of a distribution of a dividend depends upon whether, and to what extent, the Transaction reduces the US holder's deemed percentage share ownership in XL. For purposes of this determination, a US holder will be treated as if it first exchanged all of its Catlin Shares solely for XL Shares (instead of the combination of XL Shares and cash consideration actually received), and then a portion of the XL Shares so received were immediately redeemed by XL for the cash (excluding any cash received in lieu of a fractional XL Share) that the US holder actually received in the Scheme of Arrangement. Subject to the PFIC rules and the potential application of Section 1248 of the IRS Code, discussed

below, the gain recognised will be treated as capital gain if the deemed redemption is “substantially disproportionate” or “not essentially equivalent to a dividend” with respect to the US holder.

In general, the deemed redemption will be “substantially disproportionate” with respect to a US holder if such US holder experiences more than a 20 per cent. reduction in its interest in XL as a result of the deemed redemption. In order for the deemed redemption to be “not essentially equivalent to a dividend”, the deemed redemption must result in a “meaningful reduction” in such US holder’s deemed percentage share ownership of XL Shares. The IRS has indicated that a minority shareholder in a publicly traded corporation whose relative stock interest is minimal and who exercises no control with respect to corporate affairs will experience a “meaningful reduction” if that shareholder experiences any reduction in its percentage stock ownership in connection with a transaction such as the Transaction. In applying the foregoing tests, a US holder will, under the constructive ownership rules, be deemed to own shares that are owned by certain related persons or entities or with respect to which the US holder owns options, in addition to the shares actually owned by that US holder. Because the application of these tests may be complex, US holders should consult their own tax advisers regarding the possibility that all or a portion of any cash received in exchange for Catlin Shares will be treated as a dividend.

3.1.2 Cash in lieu of fractional shares

Cash consideration received in lieu of a fractional share of XL Shares will generally be treated as received in redemption of such fractional share interest, and a US holder will recognise gain or loss measured by the difference between the amount of cash consideration received and the portion of the basis of the XL Shares allocable to such fractional interest. Subject to the PFIC rules and Section 1248 of the IRS Code, discussed below, such gain or loss generally will constitute capital gain or loss and will be long-term capital gain or loss if the US holder’s holding period in the Catlin Shares exchanged was more than one year as of the date of the exchange.

3.1.3 Receipt of non-US currency

A US holder that receives non-US currency in exchange for Catlin Shares in the Transaction generally will realise an amount equal to the US dollar value of such non-US currency translated at the spot rate of exchange on the “settlement date” of the Transaction if (i) such US holder is a cash basis or electing accrual basis taxpayer and the Catlin Share is treated as being “traded on an established securities market”; or (ii) such settlement date is also the closing date of the Transaction. Such US holder generally will have a basis in such non-US currency equal to the US dollar value of such non-US currency on the settlement date. Any gain or loss on a conversion or other disposition of such non-US currency by such US holder generally will be treated as ordinary income or loss from sources within the US. Each US holder should consult its own tax adviser regarding the US federal income tax consequences of receiving non-US currency from the disposition of a Catlin Share in cases not described in the first sentence of this paragraph.

3.1.4 Fully taxable transaction

If the Transaction fails to qualify as a reorganization, a US holder, or if a US holder receives solely cash in the Transaction, such US holder, would generally recognise gain or loss equal to the difference, if any, between (i) the sum of the fair market value of the XL Shares received in the Transaction and any cash consideration received and (ii) such shareholder’s adjusted tax basis in the Catlin Shares surrendered in exchange therefor. Subject to the PFIC rules and Section 1248 of the IRS Code, discussed below, such recognised gain or loss would generally constitute capital gain or loss, and would constitute long-term capital gain or loss if the Catlin Shareholder’s holding period for the Catlin Shares exchanged is greater than one year as of the date of the exchange.

3.1.5 Dispositions of shares and IRS Code Section 1248

As discussed below under “—Related person insurance income—Dispositions of Shares and IRS Code Section 1248”, Section 1248 of the IRS Code may apply to recharacterise gain from the sale or exchange of shares as a dividend to the extent of a CFC’s earnings and profits (determined under US federal income tax principles). For the reasons discussed below, Section 1248 of the IRS Code should not apply to dispositions of Catlin Shares because Catlin is not directly engaged in the insurance business and, under proposed Treasury Regulations, Sections 953 and 1248 appear to be applicable only in the case of shares of corporations that are directly engaged in the insurance business. There can be no assurance, however, that the IRS will interpret the proposed Treasury Regulations in this manner or that the proposed Treasury Regulations will not be amended or promulgated in final form so as to provide that Section 1248 will apply to the disposition of Catlin Shares in the Transaction.

US holders should consult their own tax advisers regarding the effects of these rules on a disposition of shares in the Transaction.

3.1.6 PFIC status of Catlin

A US holder may be subject to adverse US federal income tax rules in respect of a disposition of Catlin Shares, including a disposition in a transaction that would otherwise qualify as a reorganization, if Catlin were classified as a PFIC for any taxable year during which such US holder has held Catlin Shares and does not have a valid pedigreed “qualified electing fund” election in effect. For a more detailed discussion of the PFIC rules, see below under “—Passive Foreign Investment Companies—”. Catlin does not believe it was a PFIC for US federal income tax purposes in 2014. However, the PFIC determination is factual in nature, depends on the application of complex US federal income tax rules, which are subject to differing interpretations, and generally cannot be performed until the close of the taxable year in question. Accordingly, Catlin can provide no assurance that it will not be a PFIC for 2015 or for any prior taxable year. If Catlin were classified as a PFIC in any year during which a US holder was a shareholder, Catlin generally would continue to be treated as a PFIC for that US holder in all succeeding years, regardless of whether Catlin continued to meet the test for PFIC status. US holders should consult their own tax advisers regarding the classification of Catlin as a PFIC, the effect of the PFIC rules to such holder, and the availability and effect of any election that may be available under the PFIC rules.

If Catlin were treated as a PFIC with respect to any US holder as of the date of the Transaction but XL were not treated as a PFIC for the current taxable year, the disposition of Catlin Shares in the Transaction may constitute a fully taxable transaction for US federal income tax purposes for such US holder. As discussed in greater detail below, XL does not believe that it is a PFIC and currently does not expect to become a PFIC in future years.

3.1.7 Backup withholding and information reporting

Payments of cash and other property payments received by a non-corporate US holder may be subject to US information reporting requirements and may be subject to backup withholding unless such holder provides proof of an applicable exemption or furnishes its taxpayer identification number and otherwise complies with all applicable requirements of the backup withholding rules. Backup withholding is not an additional tax. The amount of any backup withholding will be allowed as a credit against the US holder’s US federal income tax liability and may entitle the US holder to a refund, provided that certain required information is timely furnished to the IRS.

3.2 US federal income tax consequences of the ownership of XL Shares

3.2.1 Taxation of Dividends

Subject to the discussion below under “—Special rules—US CFC provisions”, “—Special rules—related person insurance income” and “—Special rules—PFIC provisions”, US holders will be required to include in gross income the gross amount of any distribution received on the XL Shares to the extent that the distribution is paid out of XL’s current or accumulated earnings and profits as determined for US federal income tax purposes, which we refer to as a dividend. With respect to non-corporate US holders, certain dividends received from a qualified foreign corporation may be subject to reduced rates of taxation. A qualified foreign corporation includes a foreign corporation that is eligible for the benefits of a comprehensive income tax treaty with the US which the US Treasury Department determines to be satisfactory for these purposes and which includes an exchange of information provision. The US Treasury Department has determined that the US-Ireland tax treaty meets these requirements. XL believes that it is currently eligible for the benefits of the US-Ireland tax treaty. There can be no assurance that XL will be eligible for the benefits of the US-Ireland tax treaty in later years. In addition, a foreign corporation is also treated as a qualified foreign corporation with respect to dividends paid by that corporation on shares that are readily tradable on an established securities market in the US. US Treasury Department guidance indicates that the XL Shares, which are currently listed on the New York Stock Exchange, are considered readily tradable on an established securities market in the US. There can be no assurance that the XL Shares will be considered readily tradable on an established securities market in later years. The reduced rate will not be available in all situations, and US holders should consult their own tax adviser regarding the application of the relevant rules to their particular circumstances.

With respect to corporate US holders, dividends from XL will not be eligible for the dividends received deduction that is otherwise generally available upon the receipt of dividends distributed by US corporations.

Distributions in excess of the current and accumulated earnings and profits of XL will be applied first to reduce the US holder's tax basis in its XL Shares, and thereafter will constitute gain from the sale or exchange of such shares, which will be taxed as described below under “—Sale, exchange or other taxable disposition” Special rules not here described may apply to US holders that do not have a uniform tax basis and holding period in all of their XL Shares, and any such US holders are urged to consult their own tax adviser with regard to such rules.

3.2.2 Foreign tax credit

If US holders own at least 50 per cent. of XL's shares, dividends paid by XL could be treated, for purposes of determining the foreign tax credit limitation, as partly US source. Any amounts required to be included in a US holder's gross income under the CFC rules or the RPII rules, as described below under “—Special rules—US CFC provisions” and “—Special rules—related person insurance income”, and any amounts treated as dividends under Section 1248 of the IRS Code, could also be partly US source income. Treatment of the dividends as US source income in whole or in part may limit a US holder's ability to claim a foreign tax credit for any Irish withholding taxes payable in respect of the dividends. Because the calculation of a taxpayer's foreign tax credit limitation is complex and is dependent on the particular taxpayer's circumstances, US holders should consult their own tax advisers with respect to these matters.

3.2.3 Sale, exchange or other taxable disposition

Subject to the discussion below under “—Special rules—US CFC provisions”, “—Special rules—related person insurance Income” and “—Special rules—PFIC provisions” US holders generally will recognise capital gain or loss for US federal income tax purposes on the sale, exchange or other taxable disposition of XL Shares in an amount equal to the difference between the amount realised from such sale, exchange or other taxable disposition and the US holder's tax basis in such shares. Generally, capital gains of non-corporate US holders (including individuals) currently are eligible for preferential US federal income tax rates applicable to long-term capital gains if such holder has held the relevant property for more than one year as of the date of the sale, exchange or other taxable disposition. The deductibility of capital losses is subject to limitations. Any gain or loss recognised by a US holder on the sale or exchange of XL Shares will generally be treated as US source gain or loss.

3.2.4 Treatment of certain Irish taxes

For US tax purposes, any Irish stamp duty imposed on a US holder, as described below under the headings “—Republic of Ireland—Stamp duty” will not be creditable against US federal income taxes. US holders should consult their tax advisers regarding the treatment of these Irish taxes.

3.3 Special rules

3.3.1 US CFC provisions

In general, a foreign corporation is considered a CFC if 10 per cent. US Shareholders (as defined below) own (directly, indirectly through non-US entities or by application of the constructive ownership rules of Section 958(b) of the IRS Code (i.e. “constructively”)) more than 50 per cent. of the total combined voting power of all classes of voting stock of such foreign corporation, or more than 50 per cent. of the total value of all stock of such corporation. A “10 per cent. US Shareholder” is a US person (as defined in Section 957(c) of the IRS Code (a “US Person”)) who owns (directly, indirectly through non-US entities or constructively) at least 10 per cent. of the total combined voting power of all classes of stock entitled to vote of the foreign corporation. Each 10 per cent. US Shareholder of a foreign corporation that is a CFC for an uninterrupted period of 30 days or more during a taxable year and owns shares in that CFC directly or indirectly through foreign entities on the last day of the foreign corporation's taxable year on which it is a CFC must include in its gross income for US federal income tax purposes its *pro rata* share (based on its actual direct and indirect, through foreign entities, ownership) of the CFC's “subpart F income”, even if the subpart F income is not distributed. Subpart F income generally includes, among other things, investment income such as dividends, interest and capital gains, and income from insuring risks located outside the insurer's country of incorporation.

For purposes of taking into account insurance income, a CFC also includes a foreign corporation in which more than 25 per cent. of the total combined voting power of all classes of stock (or more than 25 per cent. of the total value of the stock) is owned by 10 per cent. US Shareholders on any day during the taxable year of such corporation, if certain premium tests are met. It is expected that all of the income of XL's insurance and reinsurance subsidiaries in Bermuda,

and a portion of the income of XL's other non-US insurance and reinsurance subsidiaries, would be considered subpart F income if such subsidiaries were to be considered CFCs. In addition, a non-US insurance subsidiary of XL may be considered a CFC under the RPII rules discussed below.

Due to the current dispersion of XL share ownership among holders and the provisions in its articles of association that impose limitations on the concentration of voting power of its voting shares, XL believes that no US Person that owns shares in XL directly, indirectly through foreign entities or constructively should be subject to treatment as a 10 per cent. US Shareholder of a CFC. There can be no assurance, however, that the IRS will not challenge the effectiveness of these provisions for purposes of preventing CFC and 10 per cent. US Shareholder status and that a court will not sustain such challenge, in which case a US holder's investment could be materially adversely affected if such US holder is considered to own 10 per cent. or more of XL Shares.

3.3.2 Related person insurance income

- (a) *Generally.* The US CFC rules described above also apply (with certain modifications) to certain insurance companies that earn related person insurance income, which we refer to as "RPII." For purposes of applying the CFC rules to foreign corporations that earn RPII, a foreign corporation will be treated as a CFC if RPII Shareholders (as defined below) collectively own (directly, indirectly through foreign entities or by application of the constructive ownership rules) 25 per cent. or more of the stock of the corporation by vote or value. The term "RPII Shareholder" means any US Person (as defined in Section 957(c) of the IRS Code) who owns, directly or indirectly through foreign entities, any amount (rather than stock possessing 10 per cent. or more of the total combined voting power) of the foreign corporation's stock.

RPII is defined as any "insurance income" attributable to policies of insurance or reinsurance with respect to which the person (directly or indirectly) insured is a "RPII Shareholder" of the foreign corporation or a "related person" to such RPII Shareholder. In general, and subject to certain limitations, "insurance income" is income (including premium and investment income) attributable to the issuing of any insurance or reinsurance contract which would be taxed under the provisions of the IRS Code relating to insurance companies if the income were the income of a domestic insurance company.

For purposes of the RPII rules, "related person" means someone who controls or is controlled by the RPII Shareholder or someone who is controlled by the same person or persons that control the RPII Shareholder. "Control" is measured by either more than 50 per cent. in value or more than 50 per cent. in voting power of stock, applying constructive ownership principles. In the case of a partnership, trust or estate, control means the ownership, directly or indirectly, of more than 50 per cent. (by value) of the beneficial interests in such partnership, estate or trust.

If none of the exceptions described below applies, each US Person that is a US holder (and therefore, indirectly owns shares in XL's non-US insurance subsidiaries) on the last day of the tax year in which a non-US subsidiary is an RPII CFC would be required to include in its gross income for US federal income tax purposes its share of RPII of that non-US subsidiary for the US Person's taxable year that includes the end of that non-US subsidiary's taxable year. This inclusion generally would be determined as if such RPII were distributed proportionately only to such US Persons holding shares at that date. The inclusion would be limited to the current-year earnings and profits of that non-US subsidiary reduced by the shareholder's *pro rata* share, if any, of certain prior-year deficits in earnings and profits. Even if one or more of the exceptions to the RPII rules applies, the general CFC rules described earlier may still apply to require 10 per cent. US Shareholders to include in income their *pro rata* share of RPII, among other things.

- (b) *RPII Exceptions.* The special RPII rules described above will not apply to a non-US subsidiary if (1) direct or indirect insureds and persons related to such insureds, whether or not US Persons, own, at all times during that non-US subsidiary's taxable year directly or indirectly, less than 20 per cent. of the voting power and less than 20 per cent. of the value of the stock of that non-US subsidiary (the "20 per cent. Ownership Exception"), (2) RPII, determined on a gross basis, is less than 20 per cent. of that non-US subsidiary's gross insurance income for the taxable year (the "20 per cent. Gross Income Exception"), (3) that non-US subsidiary elects to be taxed on its RPII as if the RPII were effectively connected with the conduct of a US trade or business and to waive all treaty benefits with respect to RPII and meets certain other requirements or (4) that non-US subsidiary elects to be treated as a US corporation for US tax

purposes. XL does not anticipate that any of its non-US insurance subsidiaries will have RPII that equals or exceeds 20 per cent. of such subsidiary's gross insurance income. Because some of the factors that determine the extent of RPII in any period may be beyond XL's control, there can be no assurance that RPII of any of its insurance subsidiaries will not equal or exceed 20 per cent. of its gross insurance income in any taxable year. In addition, it may be difficult for XL to determine whether it is 20 per cent. or more owned (by either voting power or value), directly or indirectly (under complex attribution rules), by insured or reinsured persons or persons related to insured or reinsured persons.

- (c) *Computation of RPII.* In order to determine how much RPII each of its non-US insurance subsidiaries has earned in each taxable year, XL may obtain and rely upon information from its insureds and reinsureds to determine whether any of the insureds, reinsureds or other persons related to such insureds or reinsureds own XL Shares and are US Persons. XL may not be able to determine whether any of the underlying insureds of the insurance companies to which its non-US subsidiaries provides insurance or reinsurance are RPII Shareholders or related persons to such shareholders. Consequently, XL may not be able to determine accurately the gross amount of RPII earned by its non-US subsidiaries in a given taxable year. XL may also seek information from its shareholders to determine whether direct or indirect owners of XL's Shares at the end of the year are US Persons so that the RPII may be determined and apportioned among such persons. To the extent XL is unable to determine whether a direct or indirect owner of shares is a US Person, XL may assume that such owner is not a US Person, thereby increasing the per share RPII amount for all shareholders identified as US Persons.
- (d) *Uncertainty as to Application of RPII.* Treasury Regulations interpreting the RPII provisions of the IRS Code exist only in proposed form. It is not certain whether these Treasury Regulations will be adopted in their proposed form or what changes might ultimately be made or whether any such changes, as well as any interpretation or application of the RPII rules by the IRS, the courts or otherwise, might have retroactive effect. Accordingly, the meaning of the RPII provisions and their application to XL is uncertain. In addition, we cannot assure you that the IRS will not challenge any determinations by XL as to the amount, if any, of RPII that should be includible in income or that the amounts of the RPII inclusions will not be subject to adjustment based upon subsequent IRS examination. US holders should consult their tax advisers as to the effects of these uncertainties.
- (e) *Basis Adjustments for RPII.* A US holder's tax basis in its XL Shares will be increased by the amount of any subpart F income that such shareholder includes in income, including any RPII included in income by an RPII Shareholder. Any distributions made by XL out of previously taxed subpart F income, including RPII income, will be exempt from further US income tax in the hands of such US holder. Such US holder's tax basis in its XL Shares will be reduced by the amount of any distributions that are excluded from income under this rule.
- (f) *Information Reporting.* Under certain circumstances, US Persons owning stock in a foreign corporation are required to file IRS Form 5471 with their US federal income tax returns. Generally, information reporting on IRS Form 5471 is required with respect to (1) a person who is treated as an RPII Shareholder, and (2) certain 10 per cent. US Shareholders.
- (g) *Dispositions of Shares and IRS Code Section 1248.* Section 1248 of the IRS Code provides that if a US Person sells or exchanges stock in a foreign corporation and such person owned directly, indirectly through certain foreign entities or constructively 10 per cent. or more of the voting power of the corporation at any time during the five-year period ending on the date of disposition when the corporation was a CFC, any gain from the sale or exchange of the shares will be treated as a dividend to the extent of the CFC's earnings and profits (determined under US federal income tax principles) during the period that such US holder held the shares and while the corporation was a CFC (with certain adjustments). A 10 per cent. US Shareholder may in certain circumstances be required to report a disposition of shares of a CFC by attaching IRS Form 5471 to the US federal income tax or information return that it would normally file for the taxable year in which the disposition occurs. Section 1248 of the IRS Code also applies to the sale or exchange of shares in a foreign corporation if the foreign corporation would be treated as a CFC for RPII purposes and would be taxed as an insurance company if it were a domestic corporation, regardless of whether the shareholder is a 10 per cent. US Shareholder or whether the 20 per cent. Gross Income Exception or the 20 per cent. Ownership Exception applies. Existing Treasury Regulations do not address whether section 1248 of the IRS Code would apply if a foreign corporation is not a CFC but the foreign corporation has a

subsidiary that is a CFC or that would be taxed as an insurance company if it were a domestic corporation. Section 1248 of the IRS Code should not apply to dispositions of XL Shares because (1) assuming this restriction is enforced, XL's articles of association prevent shareholders from owning, directly, indirectly or constructively, 10 per cent. or more of the voting power of the XL Shares, and (2) XL is not directly engaged in the insurance business and, under proposed Treasury Regulations, Sections 953 and 1248 appear to be applicable only in the case of shares of corporations that are directly engaged in the insurance business. There can be no assurance, however, that the IRS will interpret the proposed Treasury Regulations in this manner or that the proposed Treasury Regulations will not be amended or promulgated in final form so as to provide that Section 1248 will apply to dispositions of XL Shares. US holders should consult their tax advisers regarding the effects of these rules on a disposition of shares.

3.3.3 PFIC provisions

The treatment of US holders could be materially different from that described above if, at any relevant time, XL were a PFIC.

For US tax purposes, a foreign corporation will generally be classified as a PFIC for any taxable year if either (1) 75 per cent. or more of its gross income is "passive income" (as defined for US federal income tax purposes) or (2) the average percentage of assets held by such corporation which produce passive income or which are held for the production of passive income is at least 50 per cent. For purposes of applying the tests in the preceding sentence, a look-through rule applies and the foreign corporation is deemed to own its proportionate share of the assets, and to receive directly the proportionate share of the income, of any other corporation of which the foreign corporation owns, directly or indirectly, at least 25 per cent. by value of the stock. In addition, the PFIC statutory provisions also contain an express exception for income derived in the active conduct of an insurance business by a corporation that is predominantly engaged in an insurance business. This exception is intended to ensure that income derived by a *bona fide* insurance company is not treated as passive income, except to the extent such income is attributable to financial reserves in excess of the reasonable needs of the insurance business.

XL believes that it is not a PFIC and currently does not expect to become a PFIC in future years. The tests for determining PFIC status are applied annually and it is difficult to accurately predict future income and assets relevant to this determination. In addition, there are currently no Treasury Regulations regarding the application of the PFIC provisions to an insurance company and Treasury Regulations or pronouncements interpreting or clarifying these rules may be forthcoming. Accordingly, no assurance can be given that the IRS would not challenge this position or that a court would not sustain such challenge.

If XL were to be characterised as a PFIC, a US holder would be subject to a penalty tax resulting from sale at a gain of the XL Shares, or resulting from receipt of an "excess distribution" with respect to the XL Shares, unless such shareholder elected to be taxed annually on the XL Shares regardless of whether dividends were distributed or shares were sold. US holders should consult their own tax advisers with respect to their ability to make any such elections and the tax consequences of making any such elections. In general, a shareholder receives an "excess distribution" if the amount of the distribution is more than 125 per cent. of the average distribution with respect to the stock during the three preceding taxable years (or shorter period during which the taxpayer held the stock). In general, the penalty tax is equivalent to an interest charge on taxes that are deemed due during the period the shareholder owned the shares, computed by assuming that the excess distribution or gain (in the case of a sale) with respect to the shares was taxed in equal portions at the highest applicable tax rate throughout the shareholder's period of ownership. The interest charge is equal to the applicable rate imposed on underpayments of US federal income tax for such period. In addition to the penalty tax, if XL were determined to be a PFIC, any gain on the disposition of XL Shares would be treated as ordinary income (and hence would not be entitled to the preferential tax rates for long-term capital gains recognised by individuals and other non-corporate US holders). Furthermore, any dividends paid by XL would not constitute qualified dividends (and hence would not be entitled to the preferential tax rates for qualified dividends received by individuals and other non-corporate US holders) if XL is treated as a PFIC in the year in which such dividend is paid or in the prior taxable year.

US holders should consult their own tax adviser about the PFIC rules, including the availability of certain elections.

3.3.4 Required Disclosure with Respect to Foreign Financial Assets

Certain US holders are required to report information relating to an interest in the XL Shares, subject to certain exceptions (including an exception for XL Shares held in accounts maintained by certain financial institutions), by attaching a completed IRS Form 8938, Statement of Specified Foreign Financial Assets, with their tax return for each year in which they hold an interest in XL Shares. US holders are urged to consult their own tax advisers regarding information reporting requirements relating to their ownership of XL Shares.

3.3.5 Information reporting and backup withholding

Except in the case of corporations or other exempt holders, dividends paid by XL to a US holder may be subject to US information reporting requirements and may be subject to backup withholding unless such holder provides proof of an applicable exemption or furnishes its taxpayer identification number and otherwise complies with all applicable requirements of the backup withholding rules. Backup withholding is not an additional tax. The amount of any backup withholding will be allowed as a credit against the US holder's US federal income tax liability and may entitle the US holder to a refund, provided that certain required information is timely furnished to the IRS.

THE US FEDERAL INCOME TAX CONSIDERATIONS SUMMARISED ABOVE ARE FOR GENERAL INFORMATION ONLY. US HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISERS AS TO THE PARTICULAR CONSEQUENCES THAT MAY APPLY TO SUCH HOLDER.

4. Republic of Ireland

The following is a summary of the material Irish tax consequences of the stamp duty and dividend withholding tax consequences of the ownership of XL Shares. The summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to each of the Scheme Shareholders. The summary is based upon Irish tax laws and the practice of the Irish Revenue Commissioners in effect on the date of this Scheme Document and correspondence with the Irish Revenue Commissioners. Changes in law and/or administrative practice may result in alteration of the tax considerations described below, possibly with retrospective effect.

The summary does not constitute tax advice and is intended only as a general guide. The summary is not exhaustive and Scheme Shareholders should consult their tax advisers about the Irish tax consequences (and tax consequences under the laws of other relevant jurisdictions) of the acquisition, ownership and disposal of XL Shares.

4.1 Stamp duty

The rate of Irish stamp duty (where applicable) on transfers of shares of Irish incorporated companies is 1 per cent. of the price paid or the market value of the shares acquired, whichever is greater. Where Irish stamp duty arises it is generally a liability of the transferee.

Irish stamp duty may, depending on the manner in which the shares are held, be payable in respect of transfers of XL Shares.

4.1.1 Shares held through Depositary Trust Company ("DTC")

A transfer of XL Shares effected by means of the transfer of book-entry interests in DTC will not be subject to Irish stamp duty. On the basis that XL Shares are held and transferred through DTC, most transfers of XL Shares will be exempt from Irish stamp duty.

4.1.2 Shares held outside of DTC or transferred into or out of DTC

A transfer of XL Shares where any party to the transfer holds such shares outside of DTC may be subject to Irish stamp duty. XL Shareholders wishing to transfer their shares into (or out of) DTC may do so without giving rise to Irish stamp duty, provided that:

- there is no change in the ultimate beneficial ownership of such shares as a result of the transfer; and
- the transfer into (or out of) DTC is not effected in contemplation of a subsequent sale of such shares by a beneficial owner to a third party.

It is too early at present to determine whether a price differential may develop in the market for XL Shares between those shares which may be traded without giving rise to Irish stamp duty and those which may not. Scheme Shareholders who hold their XL Shares outside of DTC after the

Effective Date and who wish future transfers of such shares to be exempt from Irish stamp duty, may arrange for the transfer of their XL Shares into DTC (whilst providing at the same time that (i) there is no change in the ultimate beneficial ownership of such shares and (ii) the transfer into DTC is not effected in contemplation of a subsequent sale of such shares) as soon as possible after the Effective Date.

4.1.3 Shares held by way of Domestic Depositary Interests (“DDIs”) Representing Book-Entry Interests in Shares held through DTC

After the Effective Date, the New XL Shares may be held and settled in the form of DDIs representing XL Shares that have been deposited with DTC and recorded in book entry form by DTC. In connection with this, XL is seeking confirmation from the Irish Revenue Commissioners that, among other things, a transfer of DDIs representing book-entry interests in XL Shares held through DTC will not be subject to Irish stamp duty. No assurance can be given that the Irish Revenue Commissioners will give this confirmation or as to the timing of any confirmation. In the event that the confirmation sought from the Irish Revenue Commissioners is not given, any Irish stamp duty cost incurred when creating DDIs in connection with completion of the Offer will be borne by XL but any Irish stamp duty arising on a subsequent transfer or cancellation of a DDI will be a liability for the relevant transferee of the DDI. Therefore to avoid risk of Irish stamp duty on the transfer of interests in XL Shares, holders of interests in XL Shares may wish to consider making the necessary arrangements so as to be able to transfer those interests in book entry form through DTC. Where a person holding DDIs representing interests in XL Shares makes arrangements for the transfer/cancellation of those DDIs so as to be able to transfer the interests in XL Shares in book entry form through DTC, such transfer/cancellation shall not be subject to Irish stamp duty provided that:

- there is no change in the ultimate beneficial ownership of such shares as a result of the transfer/cancellation; and
- the transfer/cancellation is not effected in contemplation of a subsequent sale of such shares by a beneficial owner to a third party.

4.2 Withholding tax on dividends (“DWT”)

Distributions made by XL will, in the absence of one of many exemptions, be subject to DWT currently at a rate of 20 per cent. For DWT purposes, a distribution includes any distribution that may be made by XL to its shareholders, including cash dividends, non-cash dividends and additional stock taken in lieu of a cash dividend. Where an exemption does not apply in respect of a distribution made to a particular shareholder, XL is responsible for withholding DWT prior to making such distribution.

4.2.1 General exemptions

Irish domestic law provides that a non-Irish resident shareholder is not subject to DWT on dividends received from XL if such shareholder is beneficially entitled to the dividend and is:

- an individual resident for tax purposes in a territory listed in Appendix 1 to this Scheme Document, (each such territory being a “**Relevant Territory**”) and is neither resident nor ordinarily resident in Ireland; or
- a company resident for tax purposes in a Relevant Territory, provided such company is not under the control, whether directly or indirectly, of a person or persons who is or are resident in Ireland; or
- a company, wherever resident, that is controlled, directly or indirectly, by persons resident in a Relevant Territory and who is or are (as the case may be) not controlled by, directly or indirectly, persons who are not resident in a Relevant Territory; or
- a company, wherever resident, whose principal class of shares (or those of its 75 per cent. direct or indirect parent) is substantially and regularly traded on a recognised stock exchange either in a Relevant Territory or on such other stock exchange approved by the Irish Minister for Finance; or
- a company, wherever resident, that is wholly-owned, directly or indirectly, by two or more companies where the principal class of shares of each of such companies is substantially and regularly traded on a recognised stock exchange in a Relevant Territory or on such other stock exchange approved by the Irish Minister for Finance;

and provided, in all cases noted above (but subject to “Shares held by US resident shareholders” below), XL or, in respect of shares held through DTC, any qualifying intermediary appointed by XL, has received from the shareholder, where required, the relevant Irish Revenue Commissioners’ DWT Forms (the “**DWT Forms**”) prior to the payment of the dividend. In practice, in order to ensure sufficient time to process the receipt of relevant DWT Forms, the shareholder where required should furnish the relevant DWT Form to:

- its broker (and the relevant information is further transmitted to any qualifying intermediary appointed by it) before the record date for the dividend (or such later date before the dividend payment date as may be notified to the shareholder by the broker) if its shares are held through DTC, or
- XL’s transfer agent at least seven business days before the record date for the dividend if its shares are held outside of DTC.

Links to the various DWT Forms are available at <http://www.revenue.ie/en/tax/dwt/forms/index.html>.

For non-Irish resident shareholders that cannot avail themselves of one of Ireland’s domestic law exemptions from DWT, it may be possible for such shareholders to rely on the provisions of a double tax treaty to which Ireland is party to reduce the rate of DWT.

4.2.2 Shares held by US resident shareholders

Dividends paid in respect of XL Shares that are owned by a US resident and held through DTC will not be subject to DWT provided the address of the beneficial owner of such shares in the records of the broker holding such shares is in the US (and such broker has further transmitted the relevant information to a qualifying intermediary appointed by XL). It is strongly recommended that such shareholders, including Catlin Shareholders who are US residents and who receive XL Shares pursuant to the Scheme, ensure that their information is properly recorded by their brokers (so that such brokers can further transmit the relevant information to a qualifying intermediary appointed by XL).

Dividends paid in respect of XL Shares that are owned by residents of the US and held outside of DTC will not be subject to DWT if such shareholders satisfy the conditions of one of the exemptions referred to above under the heading “General exemptions”, including the requirements to furnish completed DWT Forms and that such forms remain valid. Such shareholders must provide the appropriate DWT Forms to XL’s transfer agent at least seven business days before the record date for the first dividend payment to which they are entitled. It is strongly recommended that such shareholders complete the appropriate DWT Forms and provide them to XL’s transfer agent as soon as possible after acquiring their shares.

If any shareholder that is resident in the US receives a dividend from which DWT has been withheld, the shareholder should generally be entitled to apply for a refund of such DWT from the Irish Revenue Commissioners, provided the shareholder is beneficially entitled to the dividend.

4.2.3 Shares held by residents of Relevant Territories other than the US

Shareholders who are residents of Relevant Territories, other than the US, must satisfy the conditions of one of the exemptions referred to above under the heading “—General exemptions”, including the requirement to furnish valid DWT Forms, in order to receive dividends without being subject to DWT.

If such shareholders hold their shares through DTC, they must provide the appropriate DWT Forms to their brokers (so that such brokers can further transmit the relevant information to a qualifying intermediary appointed by XL) before the record date for the dividend (or such later date before the dividend payment date as may be notified to the shareholder by the broker). If such shareholders hold their shares outside of DTC, they must provide the appropriate DWT Forms to XL’s transfer agent at least seven business days before the record date for the dividend. It is strongly recommended that such shareholders including Catlin Shareholders who are residents of Relevant Territories other than the US and who receive XL Shares pursuant to the transaction complete the appropriate DWT Forms and provide them to their brokers or XL’s transfer agent, as the case may be, as soon as possible after receiving their shares.

If any shareholder who is resident in a Relevant Territory receives a dividend from which DWT has been withheld, the shareholder may be entitled to a refund of DWT from the Irish Revenue Commissioners provided the shareholder is beneficially entitled to the dividend.

4.2.4 Shares held by residents of Ireland

Most Irish tax resident or ordinarily resident shareholders (other than Irish resident companies that have completed the appropriate DWT Forms) will be subject to DWT in respect of dividends paid on their XL Shares.

Shareholders that are residents of Ireland, but are entitled to receive dividends without DWT, must complete the appropriate DWT Forms and provide them to their brokers (so that such brokers can further transmit the relevant information to a qualifying intermediary appointed by XL) before the record date for the dividend (in the case of shares held through DTC), or to XL's transfer agent at least seven business days before the record date for the dividend (in the case of shares held outside of DTC).

4.2.5 Shares held by other persons

XL Shareholders who do not fall within any of the categories specifically referred to above may nonetheless fall within other exemptions from DWT. If any shareholders are exempt from DWT, but receive dividends subject to DWT, such shareholders may apply for refunds of such DWT from the Irish Revenue Commissioners.

4.2.6 Qualifying intermediary

XL has in place an agreement with an entity that is recognised by the Irish Revenue Commissioners as a "qualifying intermediary", which provides for certain arrangements relating to distributions in respect of shares of XL that are held through DTC, which are referred to as the "Deposited Securities." The agreement provides that the qualifying intermediary shall distribute or otherwise make available to Cede & Co., as nominee for DTC, any cash dividend or other cash distribution with respect to the Deposited Securities after XL delivers or causes to be delivered to the qualifying intermediary the cash to be distributed.

XL will rely on information received directly or indirectly from its qualifying intermediary, brokers and its transfer agent in determining where shareholders reside, whether they have provided the required US information and whether they have provided the required DWT Forms. Shareholders that are required to file DWT Forms in order to receive dividends free of DWT should note that such forms are generally valid, subject to a change in circumstances, until 31 December of the fifth year after the year in which such forms were completed.

4.3 Capital Acquisitions Tax (CAT)

Irish CAT comprises principally gift tax and inheritance tax. XL shares are regarded as property situated in Ireland for CAT purposes because the register of XL is required to be held in Ireland. As a consequence, CAT applies to a gift or inheritance of XL Shares irrespective of the place of residence, ordinary residence or domicile of the parties. The person who receives the gift or inheritance has primary liability for CAT.

CAT is currently levied at a rate of 33 per cent. above certain tax-free thresholds. The appropriate tax-free threshold is dependent upon (i) the relationship between the donor and the donee and (ii) the aggregation of the values of previous gifts and inheritances received by the donee from persons within the same group threshold.

Gifts and inheritances passing between spouses are exempt from CAT. Children have a tax-free threshold of €225,000 in respect of taxable gifts or inheritances received from their parents. Also, transfers of XL shares within a wholly owned corporate group are generally exempt from CAT. Holders of XL Shares should consult their own tax advisers as to whether CAT is creditable or deductible in computing any domestic tax liabilities.

There is also a "small gift exemption" from CAT whereby the first €3,000 of the taxable value of all taxable gifts taken by a donee from any one donor, in each calendar year, is exempt from CAT and is also excluded from any future aggregation. This exemption does not apply to an inheritance.

THE IRISH TAX CONSIDERATIONS SUMMARISED ABOVE ARE FOR GENERAL INFORMATION ONLY. CATLIN SHAREHOLDERS SHOULD CONSULT WITH THEIR TAX ADVISERS REGARDING THE TAX CONSEQUENCES OF THE TRANSACTION AND OF THE ACQUISITION, OWNERSHIP AND DISPOSAL OF XL SHARES.

PART EIGHT: ADDITIONAL INFORMATION

1. Responsibility

- 1.1 The Catlin Directors, whose names are set out in paragraph 2.1 below, accept responsibility for the information contained in this Scheme Document other than the information for which responsibility is taken by others pursuant to paragraph 1.2 below. To the best of the knowledge and belief of the Catlin Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Scheme Document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The XL Officers accept responsibility for the information contained in this Scheme Document relating to XL, the XL Group and their respective Personnel. To the best of the knowledge and belief of the XL Officers (who have taken all reasonable care to ensure that such is the case) the information contained in this Scheme Document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information. Neither XL nor any of the XL Officers takes responsibility for the information for which the Catlin Directors take responsibility.

2. Directors

2.1 *Catlin Directors and their respective positions*

The Catlin Directors and their respective positions are:

John Barton.....	Chairman
Stephen Catlin	Chief Executive Officer and Deputy Chairman
Benjamin Meuli	Chief Financial Officer
Nicholas Lyons.....	Senior Independent Director
Robert Gowdy.....	Non-Executive Director
Fiona Luck	Non-Executive Director
Claus-Michael Dill.....	Non-Executive Director
Beatrice Hollond.....	Non-Executive Director

The registered office for Catlin is Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda. The business address of each of the Catlin Directors is 5th Floor, Washington House, 16 Church Street, Hamilton HM1, Bermuda.

The company secretary of Catlin is Daniel Primer.

2.2 *XL Directors and their respective positions*

The XL Directors and their respective positions are:

Michael S. McGavick.....	Chief Executive Officer
Ramani Ayer	Non-Executive Director
Dale R. Comey.....	Non-Executive Director
Robert R. Glauber	Non-Executive Chairman and Director
Edward J. "Ned" Kelly, III	Non-Executive Director
Suzanne B. Labarge.....	Non-Executive Director
Joseph Mauriello	Non-Executive Director
Eugene M. McQuade	Non-Executive Director
Clayton S. Rose.....	Non-Executive Director
Anne Stevens	Non-Executive Director
John M. Vereker.....	Non-Executive Director

The business address of each of the XL Directors is XL House, 8 St. Stephen's Green, Dublin 2, Ireland.

The Corporate Secretary of XL is Kirstin Gould.

XL is a public company with its registered office at XL House, 8 St. Stephen's Green, Dublin 2, Ireland.

3. Disclosure of interests and dealings in shares

For the purposes of this paragraph 3 and paragraphs 4 to 7:

- (A) “acting in concert” has the meaning given to it in the Code;
- (B) “arrangement” includes indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to securities which may be an inducement to deal or refrain from dealing;
- (C) “dealings” has the meaning given to it in the Code;
- (D) “derivative” has the meaning given to it in the Code;
- (E) “disclosure period” means the period beginning on 17 December 2014 and ended on 31 March 2015 (being the latest practicable date before the date of this Scheme Document);
- (F) “interest” or “interests” in relevant securities shall have the meaning given to it in the Code and references to interests of XL Directors or interests of Catlin Directors in relevant securities shall include all interests of any other person whose interests in shares the XL Directors or, as the case may be, the Catlin Directors, are taken to be interested in pursuant to Part 22 of the Companies Act 2006 (United Kingdom), as if the Companies Act 2006 applies;
- (G) “offer period” means the period which commenced on 17 December 2014 and ending on the earlier of the date on which it is announced that the Scheme has become effective and/or the date on which it is announced that the Offer has lapsed or has been withdrawn (or such other date as the Code (as applied through Catlin’s Bye-Laws) may provide);
- (H) “relevant XL securities” mean relevant securities (such term having the meaning given to it in the Code in relation to an offeror) of XL including equity share capital in XL (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof;
- (I) “relevant Catlin securities” mean relevant securities (such term having the meaning given to it in the Code in relation to an offeree) of Catlin including equity share capital of Catlin (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof.

4. Interests in Catlin Shares

4.1 As at 31 March 2015 (the latest practicable date before the date of this Scheme Document), the Catlin Directors held the following interests in, or rights to subscribe in respect of, relevant Catlin securities:

4.2 Issued Share Capital

Name	Number of Catlin Shares	Nature of Interest
John Barton	50,000 ⁽¹⁾	Beneficial
Stephen Catlin.....	7,096,696 ⁽²⁾	Beneficial
Benjamin Meuli.....	1,257,456 ⁽³⁾	Beneficial
Nicholas Lyons	—	N/A
Robert Gowdy	29,350 ⁽⁴⁾	Beneficial
Fiona Luck.....	5,000	Beneficial
Claus-Michael Dill	—	N/A
Beatrice Hollond	—	N/A

Notes:

(1) 20,000 of which are held by director’s spouse

(2) 685,000 of which are held by the Trustees of the Catlin Settlement Trust and 6,775 of which are held by director’s spouse

(3) Includes 15,000 Catlin Shares which are held by the Mrs JIS Meuli Settlement Trust of which Benjamin Meuli is both a trustee and a beneficiary

(4) Held jointly with spouse

4.3 Share options and share awards

4.3.1 The Catlin Group Limited Performance Share Plan 2004 (“2004 PSP”) and the Catlin Group Limited Performance Share Plan 2013 (“2013 PSP”) (together the “Performance Share Plans”)

<u>Name</u>	<u>Date of Award</u>	<u>Number of Catlin Shares</u>	<u>Vesting Date</u>
Stephen Catlin.....	9 February 2012	148,329	9 February 2016
	8 February 2013	131,178	18 February 2016
	8 February 2013	131,177	18 February 2017
	10 February 2014	188,438	24 February 2017
	10 February 2014	188,437	24 February 2018
	10 February 2015	150,107	24 February 2018
	10 February 2015	150,106	24 February 2019
Benjamin Meuli.....	9 February 2012	142,093	9 February 2016
	8 February 2013	127,298	18 February 2016
	8 February 2013	127,298	18 February 2017
	10 February 2014	117,208	24 February 2017
	10 February 2014	117,208	24 February 2018
	10 February 2015	97,616	24 February 2018
	10 February 2015	97,615	24 February 2019

4.3.2 Catlin Group Limited 2014 Deferred Bonus Share Plan (“DBSP”)

<u>Name</u>	<u>Date of Award</u>	<u>Number of Catlin Shares</u>	<u>Vesting Date</u>
Stephen Catlin.....	1 March 2014	29,389	1 March 2017
	1 March 2014	29,389	1 March 2018
	1 March 2014	29,388	1 March 2019

4.3.3 Catlin Group Limited Savings-Related Share Option Scheme (“SAYE”)

<u>Name</u>	<u>Date of Award</u>	<u>Number of Catlin Shares</u>	<u>Vesting Date</u>
Benjamin Meuli.....	6 September 2012	361	1 November 2015
	11 September 2014	4,026	1 November 2017

4.4 As at 31 March 2015 (the latest practicable date before the date of this Scheme Document), persons acting in concert with Catlin held the following interests in, or rights to subscribe in respect of, relevant Catlin securities:

<u>Name</u>	<u>Number of Catlin Shares</u>	<u>Nature of Interest</u>
Catlin Group Employee Benefit Trust	1,958,806	Beneficial
Wellington Underwriting plc Employee Benefit Trust.....	8,911	Beneficial

5. Dealings in Catlin Shares

- 5.1 Between the commencement of the offer period and 31 March 2015 (being the latest practicable date before the date of this Scheme Document), the following Catlin Directors (including members of their immediate families, close relatives and related trusts) have dealt in relevant Catlin securities:

Name	Transaction Type	Number of Catlin Shares	Date	Price per unit
	<i>Performance Share Plans</i>			
Stephen Catlin.....	Exercise of nil cost options	221,696	10 February 2015	Nil
Stephen Catlin.....	Dividend equivalents	53,667	10 February 2015	Nil
Stephen Catlin.....	Award of options over shares	300,213	10 February 2015	Nil
Benjamin Meuli.....	Award of options over shares	195,231	10 February 2015	Nil
Benjamin Meuli.....	Exercise of nil cost options	204,898	13 February 2015	Nil
Benjamin Meuli.....	Dividend equivalents	49,180	13 February 2015	Nil

- 5.2 Between the commencement of the offer period and 31 March 2015 (being the latest practicable date before the date of this Scheme Document), the following persons acting in concert with Catlin have dealt in relevant Catlin securities:

Name	Date	Transaction Type	Number of Catlin Shares	Price
Catlin Group Limited	17-31 December 2014	Sale ⁽¹⁾	185,934	—
Employee Benefit Trust....	1-31 January 2015	Sale ⁽¹⁾	179,958	—
	1-28 February 2015	Sale ⁽¹⁾	1,081,236	—
		Sale ⁽¹⁾	324,906	—

Note:

- (1) These 'sales' represent transfers of Catlin Shares to settle options and awards under Catlin Share Schemes and dividend equivalent entitlements.

6. Interests in XL Shares

- 6.1 As at 31 March 2015 (being the latest practicable date before the date of this Scheme Document), the XL Directors held the following interests in, or rights to subscribe in respect of, relevant XL securities:

Name	Number of XL Shares	Nature of Interest
Ramani Ayer.....	21,520 ⁽¹⁾	Beneficial
Dale R. Comey.....	75,866 ⁽²⁾	Beneficial
Robert R. Glauber.....	71,732 ⁽³⁾	Beneficial
Suzanne B. Labarge.....	18,223 ⁽⁴⁾	Beneficial
Edward J. "Ned" Kelly, III.....	2,352 ⁽⁵⁾	Beneficial
Joseph Mauriello.....	69,380 ⁽⁶⁾	Beneficial
Michael S. McGavick.....	2,240,070 ⁽⁷⁾	Beneficial
Eugene M. McQuade.....	69,380 ⁽⁸⁾	Beneficial
Clayton S. Rose.....	30,670 ⁽⁹⁾	Beneficial
Anne Stevens.....	3,207	Beneficial
John M. Vereker.....	61,909 ⁽¹⁰⁾	Beneficial

Notes:

- (1) Includes 5,000 shares issuable upon exercise of vested stock options.
(2) Includes 13,624 retainer share units, deferred share units, deferred restricted shares and accrued dividends issuable upon retirement or separation from the XL Board. Also includes 20,000 shares issuable upon exercise of vested stock options.

- (3) Includes 4,668 retainer share units, deferred share units, deferred restricted shares and accrued dividends issuable upon retirement or separation from the XL Board. Also includes 22,500 shares issuable upon the exercise of vested stock options.
- (4) Includes 5,000 shares issuable upon exercise of vested stock options. Also includes 13,223 shares held in a personal holding company.
- (5) Includes 5,000 shares issuable upon exercise of stock options that vest rateably over 3 years beginning in August 2015.
- (6) Includes 7,250 retainer share units, deferred share units, deferred restricted shares and accrued dividends issuable upon retirement or separation from the XL Board. Also includes 22,500 shares issuable upon the exercise of vested stock options.
- (7) Includes 16,000 restricted shares that had not vested but which have voting rights. Also includes 1,977,307 shares issuable upon the exercise of vested stock options.
- (8) Includes 8,752 retainer share units, deferred share units, deferred restricted shares and accrued dividends issuable upon retirement or separation from the XL Board. Also includes 20,000 shares issuable upon exercise of vested stock options.
- (9) Includes 5,000 shares issuable upon exercise of vested stock options.
- (10) Includes 2,397 retainer share units, deferred share units, deferred restricted shares and accrued dividends issuable upon retirement or separation from the XL Board. Also includes 17,500 shares issuable upon exercise of vested stock options.

As at 31 March 2015 (being the latest practicable date before the date of this Scheme Document), Fiona Luck, a Catlin Director, held 48,500 XL Shares, and rights to subscribe in respect of 75,000 XL Shares at US\$36.90 per share.

- 6.2 As at 31 March 2015 (being the latest practicable date before the date of this Scheme Document), persons acting in concert with XL held the following interests in, or rights to subscribe in respect of, relevant XL securities:

Name	Transaction type	Number of XL Shares	Nature of interest
Morgan Stanley Capital (Luxembourg) S.A.....		4,839	Beneficial
Morgan Stanley Equity Services Inc.....		11,486	Beneficial
Goldman, Sachs & Co.	Ordinary Equity	258,737	Beneficial
	Outstanding Call Options	8,500	Beneficial
	Outstanding Put Options	(18,000)	Beneficial
	CFDs	235,420	Beneficial
	Equity Swap Ordinary	14,855	Beneficial

- 6.3 As at 31 March 2015 (being the latest practicable date before the date of this Scheme Document), persons acting in concert with Catlin held the following interests in, or rights to subscribe in respect of, relevant XL securities:

Name	Number of XL Shares	Nature of interest
JP Morgan Securities LLC	352,095	Beneficial, long
JP Morgan Securities LLC	172,315	Beneficial, short

7. Dealings in XL Shares

- 7.1 During the disclosure period, the following XL Directors (including members of their immediate families, close relatives and related trusts) have dealt in relevant XL securities:

Name	Transaction Type	Number of XL Shares	Date	Price per unit (US\$)
Ramani Ayer	Annual Share Grant	4,716	6 May 2014	Nil
Ramani Ayer	Shares Sold for Taxes ⁽³⁾	1,509	6 May 2014	31.81
Dale R. Comey.....	Dividend Equivalents Issued ⁽¹⁾	58.24	31 December 2013	31.84
Dale R. Comey.....	Dividend Equivalents Issued ⁽¹⁾	68.11	31 March 2013	31.25
Dale R. Comey.....	Annual Share Grant	4,716	6 May 2014	Nil
Dale R. Comey.....	Dividend Equivalents Issued ⁽¹⁾	65.37	30 June 2014	32.73
Dale R. Comey.....	Dividend Equivalents Issued ⁽¹⁾	64.82	30 September 2014	33.17
Dale R. Comey.....	Dividend Equivalents Issued ⁽¹⁾	62.85	31 December 2014	34.37

Name	Transaction Type	Number of XL Shares	Date	Price per unit (US\$)
Dale R. Comey.....	Dividend Equivalents Issued	58.98	31 March 2015	36.80
Robert T. Glauber	Dividend Equivalents Issued ⁽¹⁾	19.96	31 December 2013	31.84
Robert T. Glauber	Dividend Equivalents Issued ⁽¹⁾	23.34	31 March 2014	31.25
Robert T. Glauber	Annual Share Grant	4,716	6 May 2014	Nil
Robert T. Glauber	Shares Sold for Taxes ⁽³⁾	1,509	6 May 2014	31.81
Robert T. Glauber	Dividend Equivalents Issued ⁽¹⁾	22.41	30 June 2014	32.73
Robert T. Glauber	Dividend Equivalents Issued ⁽¹⁾	22.21	30 September 2014	33.17
Robert T. Glauber	Dividend Equivalents Issued ⁽¹⁾	21.54	31 December 2014	34.37
Robert T. Glauber	Dividend Equivalents Issued	20.21	31 March 2015	36.80
Edward J. Kelly.....	Annual Share Grant	3,460	1 August 2014	Nil
Edward J. Kelly.....	Shares Sold for Taxes ⁽³⁾	1,108	1 August 2014	32.52
Edward J. Kelly.....	Stock Options Granted ⁽⁴⁾	5,000	1 August 2014	23.52
Suzanne B. Labarge ..	Annual Share Grant	4,716	6 May 2014	Nil
Suzanne B. Labarge ..	Shares Sold for Taxes ⁽³⁾	2,264	6 May 2014	31.81
Joseph Mauriello	Dividend Equivalents Issued ⁽¹⁾	30.99	31 December 2013	31.84
Joseph Mauriello	Dividend Equivalents Issued ⁽¹⁾	36.24	31 March 2014	31.25
Joseph Mauriello	Annual Share Grant	4,716	6 May 2014	Nil
Joseph Mauriello	Dividend Equivalents Issued ⁽¹⁾	34.79	30 June 2014	32.73
Joseph Mauriello	Dividend Equivalents Issued ⁽¹⁾	34.5	30 September 2014	33.17
Joseph Mauriello	Dividend Equivalents Issued ⁽¹⁾	33.45	31 December 2014	34.37
Joseph Mauriello	Dividend Equivalents Issued	31.39	31 March 2015	36.80
Michael S. McGavick	2011 Performance Unit Award Distribution ⁽²⁾	40,856	28 February 2014	Nil
Michael S. McGavick	Shares Sold for Taxes ⁽³⁾	15,125	28 February 2014	30.40
Michael S. McGavick	Stock Options Granted ⁽⁴⁾	363,373	28 February 2014	30.40
Michael S. McGavick	2012 Performance Unit Award Distribution ⁽⁵⁾	80,058	28 February 2014	Nil
Michael S. McGavick	Shares Sold for Taxes ⁽³⁾	35,116	28 February 2014	36.20
Michael S. McGavick	Stock Options Granted ⁽⁴⁾	551,751	28 February 2014	36.20
Eugene M. McQuade	Dividend Equivalents Issued ⁽¹⁾	37.41	31 December 2013	31.84
Eugene M. McQuade	Dividend Equivalents Issued ⁽¹⁾	43.75	31 March 2014	31.25
Eugene M. McQuade	Annual Share Grant	4,716	6 May 2014	Nil
Eugene M. McQuade	Shares Sold for Taxes ⁽³⁾	1,509	6 May 2014	31.81
Eugene M. McQuade	Dividend Equivalents Issued ⁽¹⁾	42	30 June 2014	32.73
Eugene M. McQuade	Dividend Equivalents Issued ⁽¹⁾	41.64	30 September 2014	33.17
Eugene M. McQuade	Dividend Equivalents Issued ⁽¹⁾	40.38	31 December 2014	34.37
Eugene M. McQuade	Dividend Equivalents Issued	37.89	31 March 2015	36.80

Name	Transaction Type	Number of XL Shares	Date	Price per unit (US\$)
Clayton S. Rose.....	Annual Share Grant	4,716	6 May 2014	Nil
Clayton S. Rose.....	Shares Sold for Taxes ⁽³⁾	1,509	6 May 2014	31.81
Anne Stevens	Annual Share Grant	4,716	6 May 2014	Nil
Anne Stevens	Shares Sold for Taxes ⁽³⁾	1,509	6 May 2014	31.81
Anne Stevens	Stock Options Granted ⁽⁴⁾	5,000	6 May 2014	31.81
	Dividend Equivalents			
John M. Vereker	Issued ⁽¹⁾	10.25	31 December 2013	31.84
John M. Vereker	Dividend Reinvestment	178	3 January 2014	31.28
	Dividend Equivalents			
John M. Vereker	Issued ⁽¹⁾	11.99	31 March 2014	31.25
John M. Vereker	Dividend Reinvestment	206.99	2 April 2014	30.95
John M. Vereker	Annual Share Grant	4,716	6 May 2014	Nil
	Dividend Equivalents			
John M. Vereker	Issued ⁽¹⁾	11.5	30 June 2014	32.73
John M. Vereker	Dividend Reinvestment	217.74	2 July 2014	33.04
	Dividend Equivalents			
John M. Vereker	Issued ⁽¹⁾	11.41	30 September 2014	33.17
John M. Vereker	Dividend Reinvestment	218.33	2 October 2014	33.11
	Dividend Equivalents			
John M. Vereker	Issued ⁽¹⁾	11.06	31 December 2014	34.37
John M. Vereker	Dividend Reinvestment	213.43	5 January 2015	34.16
John M. Vereker	Shares Sold	3,600	10 February 2015	35.72
	Dividend Equivalents			
John M. Vereker	Issued	10.38	31 March 2015	36.80

Notes:

- (1) Represents quarterly dividend equivalents accrued on deferred share units pursuant to the Directors' Stock & Option Plan
(2) Represents settlement of long-term incentive award performance units for the 2011-2013 performance cycle.
(3) Shares disposed of represent withhold to satisfy tax obligations on stock award.
(4) Stock options have a ten year term and vest in three equal annual instalments commencing on the first anniversary of the grant date.
(5) Represents settlement of long-term incentive award performance units for the 2012-2014 performance cycle.

7.2 Between the commencement of the offer period and 31 March 2015 (being the latest practicable date before the date of this Scheme Document), the following persons acting in concert with Catlin have dealt in relevant XL securities:

Name	Date	Transaction Type	Number of XL Shares	High price (\$)	Low price (\$)
JP Morgan Securities LLC	17 December 2014 – 16 January 2015	Purchase	340,710	36.25	33.14
		Sale	655,097	36.10	33.00
	17 January – 16 February 2015	Purchase	455,871	36.02	34.45
		Sale	322,395	36.01	34.46
	17 February – 16 March 2015	Purchase	153,252	36.84	34.86
		Sale	178,932	36.85	35.11
	17 – 31 March 2015	Purchase	217,034	37.33	36.80
		Sale	232,581	37.33	36.65

7.3 During the disclosure period the following persons acting in concert with XL have dealt in relevant XL Securities:

Name	Date	Transaction Type	Detail on XL Securities		Price per unit (US\$)	
			Type	Number	High	Low
Goldman, Sachs & Co.	17/12/2013 – 16/03/2014	Purchase	Ordinary Equity	5,618,850	33.00	21.00
Goldman, Sachs & Co.	17/12/2013 – 16/03/2014	Sale	Ordinary Equity	5,566,115	31.99	26.00
Goldman Sachs Financial Markets, L.P.	17/12/2013 – 16/03/2014	Purchase	Ordinary Equity	15	31.67	29.12
Goldman Sachs Financial Markets, L.P.	17/12/2013 – 16/03/2014	Sale	Ordinary Equity	2,058	31.89	29.30
Goldman, Sachs & Co.	17/12/2013 – 16/03/2014	Purchase	Call Options	40,800	33.00	24.00
Goldman, Sachs & Co.	17/12/2013 – 16/03/2014	Sale	Call Options	41,700	39.00	26.00
Goldman, Sachs & Co.	17/12/2013 – 16/03/2014	Purchase	Put Options	21,900	31.00	24.00
Goldman, Sachs & Co.	17/12/2013 – 16/03/2014	Sale	Put Options	61,300	32.00	25.00
Goldman, Sachs & Co.	17/12/2013 – 16/03/2014	Purchase	CFDs	316,313	30.74	28.61
Goldman, Sachs & Co.	17/12/2013 – 16/03/2014	Sale	CFDs	314,637	30.74	28.61
Goldman, Sachs & Co.	17/12/2013 – 16/03/2014	Purchase	Equity Swap	51,188	31.84	30.70
Goldman, Sachs & Co.	17/12/2013 – 16/03/2014	Sale	Equity Swap	249,411	31.84	31.10
Goldman Sachs Financial Markets, L.P.	17/12/2013 – 16/03/2014	Purchase	Equity Swap	2,760	31.10	31.10
Goldman Sachs Financial Markets, L.P.	17/12/2013 – 16/03/2014	Sale	Equity Swap	1,380	31.34	31.34
Goldman Sachs Financial Markets, L.P.	17/12/2013 – 16/03/2014	Purchase	Loan	4,206	—	—
Goldman Sachs Financial Markets, L.P.	17/12/2013 – 16/03/2014	Sale	Loan	2,808	—	—
Goldman, Sachs & Co.	17/03/2014 – 16/06/2014	Purchase	Ordinary Equity	5,344,099	33.37	23.00
Goldman, Sachs & Co.	17/03/2014 – 16/06/2014	Sale	Ordinary Equity	5,667,534	33.39	30.00
Goldman Sachs Financial Markets, L.P.	17/03/2014 – 16/06/2014	Purchase	Ordinary Equity	15	31.21	31.21
Goldman, Sachs & Co.	17/03/2014 – 16/06/2014	Purchase	Call Options	19,500	35.00	23.00
Goldman, Sachs & Co.	17/03/2014 – 16/06/2014	Sale	Call Options	24,600	35.00	29.00
Goldman, Sachs & Co.	17/03/2014 – 16/06/2014	Purchase	Put Options	7,200	32.00	24.00
Goldman, Sachs & Co.	17/03/2014 – 16/06/2014	Sale	Put Options	24,200	32.00	27.00
Goldman, Sachs & Co.	17/03/2014 – 16/06/2014	Purchase	CFDs	202,466	32.81	30.23
Goldman, Sachs & Co.	17/03/2014 – 16/06/2014	Sale	CFDs	251,062	32.54	30.23
Goldman, Sachs & Co.	17/03/2014 – 16/06/2014	Purchase	Equity Swap	50,886	32.88	31.83
Goldman, Sachs & Co.	17/03/2014 – 16/06/2014	Sale	Equity Swap	51,526	32.88	32.60
Goldman, Sachs & Co.	17/06/2014 – 16/09/2014	Purchase	Ordinary Equity	4,475,388	35.00	25.00
Goldman, Sachs & Co.	17/06/2014 – 16/09/2014	Sale	Ordinary Equity	4,729,691	37.00	30.00
Goldman Sachs Financial Markets, L.P.	17/06/2014 – 16/09/2014	Purchase	Ordinary Equity	2	33.28	33.28
Goldman, Sachs & Co.	17/06/2014 – 16/09/2014	Purchase	Call Options	42,600	37.00	25.00
Goldman, Sachs & Co.	17/06/2014 – 16/09/2014	Sale	Call Options	25,700	36.00	32.00
Goldman, Sachs & Co.	17/06/2014 – 16/09/2014	Purchase	Put Options	24,200	37.00	26.00
Goldman, Sachs & Co.	17/06/2014 – 16/09/2014	Sale	Put Options	24,600	34.00	26.00
Goldman, Sachs & Co.	17/06/2014 – 16/09/2014	Purchase	CFDs	262,492	34.26	33.54
Goldman, Sachs & Co.	17/06/2014 – 16/09/2014	Sale	CFDs	30,000	33.54	33.54
Goldman, Sachs & Co.	17/06/2014 – 16/09/2014	Purchase	Equity Swap	47,100	34.26	32.88
Goldman, Sachs & Co.	17/06/2014 – 16/09/2014	Sale	Equity Swap	201,690	33.93	32.60
Goldman Sachs Financial Markets, L.P.	17/06/2014 – 16/09/2014	Sale	Loan	2	—	—
Goldman, Sachs & Co.	17/09/2014 – 16/10/2014	Purchase	Ordinary Equity	1,933,759	34.20	30.83
Goldman, Sachs & Co.	17/09/2014 – 16/10/2014	Sale	Ordinary Equity	1,786,881	35.00	30.87
Goldman, Sachs & Co.	17/09/2014 – 16/10/2014	Purchase	Call Options	9,800	36.00	28.00
Goldman, Sachs & Co.	17/09/2014 – 16/10/2014	Sale	Call Options	1,000	34.00	30.00
Goldman, Sachs & Co.	17/09/2014 – 16/10/2014	Purchase	Put Options	1,800	35.00	33.00
Goldman, Sachs & Co.	17/09/2014 – 16/10/2014	Sale	Put Options	2,000	36.00	32.00
Goldman, Sachs & Co.	17/09/2014 – 16/10/2014	Sale	CFDs	6,550	32.14	31.17

Name	Date	Transaction Type	Detail on XL Securities		Price per unit (US\$)	
			Type	Number	High	Low
Goldman, Sachs & Co.	17/10/2014 – 16/11/2014	Purchase	Ordinary Equity	1,630,124	34.72	28.00
Goldman, Sachs & Co.	17/10/2014 – 16/11/2014	Sale	Ordinary Equity	1,514,748	34.74	32.03
Goldman, Sachs & Co.	17/10/2014 – 16/11/2014	Purchase	Call Options	1,600	35.00	32.00
Goldman, Sachs & Co.	17/10/2014 – 16/11/2014	Sale	Call Options	1,300	36.00	33.00
Goldman, Sachs & Co.	17/10/2014 – 16/11/2014	Purchase	Put Options	6,700	37.00	26.00
Goldman, Sachs & Co.	17/10/2014 – 16/11/2014	Sale	Put Options	3,100	34.00	32.00
Goldman, Sachs & Co.	17/10/2014 – 16/11/2014	Sale	CFDs	3,580	34.59	32.39
Goldman, Sachs & Co.	17/10/2014 – 16/11/2014	Purchase	Equity Swap	168,692	32.75	32.75
Goldman, Sachs & Co.	17/10/2014 – 16/11/2014	Sale	Equity Swap	173,392	33.69	32.73
Goldman, Sachs & Co.	17/11/2014 – 16/12/2014	Purchase	Ordinary Equity	1,392,200	36.34	28.00
Goldman, Sachs & Co.	17/11/2014 – 16/12/2014	Sale	Ordinary Equity	1,542,209	37.00	33.00
Goldman, Sachs & Co.	17/11/2014 – 16/12/2014	Purchase	Call Options	11,300	38.00	33.00
Goldman, Sachs & Co.	17/11/2014 – 16/12/2014	Sale	Call Options	15,900	36.00	33.00
Goldman, Sachs & Co.	17/11/2014 – 16/12/2014	Purchase	Put Options	2,800	35.00	34.00
Goldman, Sachs & Co.	17/11/2014 – 16/12/2014	Sale	Put Options	10,800	36.00	30.00
Goldman, Sachs & Co.	17/11/2014 – 16/12/2014	Purchase	CFDs	77,243	36.18	34.62
Goldman, Sachs & Co.	17/11/2014 – 16/12/2014	Sale	CFDs	111,030	35.54	34.70
Goldman, Sachs & Co.	17/12/2014 – 27/03/2015	Purchase	Ordinary Equity	8,555,342	37.22	28.00
Goldman, Sachs & Co.	17/12/2014 – 27/03/2015	Sale	Ordinary Equity	8,371,087	39.00	32.89
Goldman Sachs Financial Markets, L.P.	17/12/2014 – 27/03/2015	Sale	Ordinary Equity	2	34.84	34.71
Goldman, Sachs & Co.	17/12/2014 – 27/03/2015	Purchase	Call Options	35,000	39.00	28.00
Goldman, Sachs & Co.	17/12/2014 – 27/03/2015	Sale	Call Options	19,000	38.00	30.00
Goldman, Sachs & Co.	17/12/2014 – 27/03/2015	Purchase	Put Options	28,100	40.00	30.00
Goldman, Sachs & Co.	17/12/2014 – 27/03/2015	Sale	Put Options	4,100	42.00	33.00
Goldman, Sachs & Co.	17/12/2014 – 27/03/2015	Purchase	CFDs	712,593	37.13	33.14
Goldman, Sachs & Co.	17/12/2014 – 27/03/2015	Sale	CFDs	868,352	37.10	34.75
Goldman, Sachs & Co.	17/12/2014 – 27/03/2015	Purchase	Equity Swap	265,071	34.85	33.90
Goldman, Sachs & Co.	17/12/2014 – 27/03/2015	Sale	Equity Swap	187,764	35.76	34.26
Goldman Sachs Financial Markets, L.P.	17/12/2014 – 27/03/2015	Purchase	Loan	2	—	—

Name	Date	Transaction Type	Number of XL Shares ⁽¹⁾	Price per unit (US\$)	
				High	Low
Morgan Stanley Capital (Luxembourg) S.A.	17 Dec 2014 – 31 Mar 2015	Trades on Behalf of Non-Exempt Entities	1,158	35.96	34.15
Morgan Stanley Equity Services Inc	17 Dec 2014 – 31 Mar 2015	Trades on Behalf of Non-Exempt Entities	4	34.37	33.86
Morgan Stanley Capital (Luxembourg) S.A.	17 Nov 2014 – 17 Dec 2014	Trades on Behalf of Non-Exempt Entities	1,158	35.82	34.47
Morgan Stanley Equity Services Inc	17 Nov 2014 – 17 Dec 2014	Trades on Behalf of Non-Exempt Entities	11,492	35.56	35.33
Morgan Stanley Capital (Luxembourg) S.A.	17 Oct 2014 – 17 Nov 2014	Trades on Behalf of Non-Exempt Entities	579	34.79	34.53
Morgan Stanley Equity Services Inc	17 Oct 2014 – 17 Nov 2014	Trades on Behalf of Non-Exempt Entities	—	—	—
Morgan Stanley Capital (Luxembourg) S.A.	17 Sep 2014 – 17 Oct 2014	Trades on Behalf of Non-Exempt Entities	386	33.47	33.45
Morgan Stanley Equity Services Inc	17 Sep 2014 – 17 Oct 2014	Trades on Behalf of Non-Exempt Entities	11,940	33.51	32.26
Morgan Stanley Capital (Luxembourg) S.A.	17 Jun 2014 – 17 Sep 2014	Trades on Behalf of Non-Exempt Entities	—	—	—
Morgan Stanley Equity Services Inc	17 Jun 2014 – 17 Sep 2014	Trades on Behalf of Non-Exempt Entities	23,820	34.00	32.94
Morgan Stanley Capital (Luxembourg) S.A.	17 Mar 2014 – 17 Jun 2014	Trades on Behalf of Non-Exempt Entities	965	32.45	31.42
Morgan Stanley Equity Services Inc	17 Mar 2014 – 17 Jun 2014	Trades on Behalf of Non-Exempt Entities	1,991	32.24	30.46
Morgan Stanley Capital (Luxembourg) S.A.	17 Dec 2014 – 17 Mar 2014	Trades on Behalf of Non-Exempt Entities	12,159	31.78	28.89
Morgan Stanley Equity Services Inc	17 Dec 2014 – 17 Mar 2014	Trades on Behalf of Non-Exempt Entities	2,890	31.40	28.25

(1) Note: purchases and sales have been aggregated (not netted off) – the figures shown therefore represent absolute volumes traded.

8. Interests and Dealings-General

8.1 Save as disclosed in paragraphs 4 to 7 above, as at 31 March 2015 (being the latest practicable date before the date of this Scheme Document):

- (A) no member of the XL Group had any interest in, right to subscribe in respect of, any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to purchase or take delivery of relevant Catlin securities or relevant XL securities, nor has any member of the XL Group dealt for value in any relevant Catlin securities or relevant XL securities during the disclosure period;
- (B) none of the XL Directors had any interest in, right to subscribe in respect of, any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to purchase or take delivery of relevant Catlin securities or relevant XL securities, nor has any such person dealt for value in any relevant Catlin securities or relevant XL securities during the disclosure period;
- (C) no person deemed to be acting in concert with XL had any interest in, right to subscribe in respect of, or any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to purchase or take delivery of relevant Catlin securities or relevant XL securities, nor has any such person dealt for value in any relevant Catlin securities or relevant XL securities, during the disclosure period;
- (D) no person with whom XL or a person acting in concert with XL has an arrangement had any interest in, right to subscribe in respect of, or any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to purchase or take delivery of relevant Catlin securities or relevant XL securities, nor has any such person dealt for value in any relevant Catlin securities or relevant XL securities during the disclosure period; and
- (E) neither XL, nor any person acting in concert with XL, has borrowed or lent any relevant Catlin securities or relevant XL securities, save for any borrowed shares which have been either on-lent or sold.

- 8.2 Save as disclosed in paragraphs 4 to 7 above as at 31 March 2015 (being the latest practicable date before the date of this Scheme Document):
- (A) no member of the Catlin Group had any interest in, right to subscribe in respect of, any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to purchase or take delivery of relevant XL securities or relevant Catlin securities, nor has any such person dealt for value in any relevant Catlin securities or relevant XL securities during the offer period;
 - (B) none of the Catlin Directors had any interest in, right to subscribe in respect of, or any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to purchase or take delivery of relevant XL securities or relevant Catlin securities, nor has any such person dealt for value in any relevant Catlin securities or relevant XL securities during the offer period;
 - (C) no person deemed to be acting in concert with Catlin had any interest in, right to subscribe in respect of, any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to purchase or take delivery of relevant Catlin securities or relevant XL securities, nor has any such person dealt for value in any relevant Catlin securities or relevant XL securities during the offer period;
 - (D) no person with whom Catlin or a person acting in concert with Catlin has an arrangement had any interest in, right to subscribe in respect of, any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to purchase or take delivery of relevant Catlin securities or relevant XL securities, nor has any such person dealt for value in any relevant Catlin securities or relevant XL securities during the offer period; and
 - (E) neither Catlin, nor any person acting in concert with Catlin has borrowed or lent any relevant Catlin securities or relevant XL securities, save for any borrowed shares which have been either on-lent or sold.
- 8.3 Save as disclosed in this Scheme Document, none of (i) XL or any person acting in concert with XL; or (ii) Catlin or any associate of Catlin has any arrangement in relation to relevant securities.
- 8.4 Save as disclosed in this Scheme Document, no agreement, arrangement or understanding (including any compensation arrangement) exists between XL or any person acting in concert with it and any of the Catlin Directors or the recent directors, shareholders or recent shareholders of Catlin having any connection with or dependence upon or which is conditional upon the Offer.
- 8.5 There is no agreement, arrangement or understanding whereby the beneficial ownership of any Catlin Shares to be acquired by XL pursuant to the Scheme will be transferred to any other person.
- 8.6 No relevant securities of Catlin have been redeemed or purchased by Catlin during the disclosure period.
- 8.7 No relevant securities of XL have been redeemed or purchased by XL during the offer period, other than 54,558 XL Shares which were withheld and subsequently cancelled by XL on account of taxes payable in respect of restricted stock awards.

9. Directors' service contracts and appointments

9.1 Executive Directors

The details of the service contracts of the Catlin Directors are:

Director	Date of Contract	Notice Period (from Catlin)	Notice Period (from Director)	Current annual base salary (US\$)	Single figure of total remuneration received in 2014 (US\$)
Stephen Catlin	5 April 2006	12 months	12 months	1,097,460 ⁽¹⁾	7,840,916 ⁽¹⁾
Benjamin Meuli	30 June 2009	12 months	12 months	972,734 ⁽²⁾	5,208,507 ⁽²⁾

Notes:

(1) Based on an exchange rate of £1:US\$1.56 on 31 December 2014

(2) Based on an exchange rate of CHF1.00645:£1 on 31 December 2014

In addition to the current annual base salary set out above, Stephen Catlin and Benjamin Meuli are also eligible for:

- (A) an annual cash bonus of up to 130 per cent. of base salary. Any bonus award exceeding this amount is typically deferred into Catlin Shares for a period of up to five years, with vesting in three tranches on the third, fourth and fifth anniversary of the date of deferral. Dividend equivalents accrue on the Catlin Shares subject to the deferral. The absolute maximum annual bonus is 300 per cent. of base salary. The portion of Stephen Catlin's 2014 and 2015 bonus awards subject to deferral are subject to change in control provisions and will vest upon the completion of the Offer;
- (B) annual awards under Catlin's Performance Share Plan up to a maximum of 300 per cent. of base salary;
- (C) Stephen Catlin receives an annual cash pension allowance equal to 20 per cent. of base salary and Benjamin Meuli receives an annual employer's pension contribution of 15 per cent. of base salary to a Swiss pension plan;
- (D) private medical, life, disability and income protection insurances;
- (E) Stephen Catlin has the use of a Bermuda residence; and
- (F) participation in all-employee share plans.

9.2 Catlin will pay a bonus to Stephen Catlin equal to 50 per cent. of his annual base salary, in anticipation of the Scheme becoming effective. This bonus will be paid prior to the Effective Date.

9.3 Non-Executive Directors

Director	Date of Appointment (current role)	Notice Period (from Catlin)	Notice Period (from Director)	Current fees (£)	Unexpired Term (approx) ⁽²⁾
John Barton ⁽¹⁾	11 May 2012	3 months	3 months	235,000	5 months
Robert Gowdy	30 June 2009	3 months	3 months	80,250	5 months
Fiona Luck	3 August 2012	3 months	3 months	95,250	5 months
Nicholas Lyons	6 August 2008	3 months	3 months	112,750	5 months
Claus-Michael Dill	13 May 2014	3 months	3 months	70,250	5 months
Beatrice Hollond	13 May 2014	3 months	3 months	70,250	5 months

Notes:

(1) John Barton was appointed as a director on 1 December 2011 and appointed as Chairman on 11 May 2012.

(2) All directors are subject to re-election at Catlin's Annual General Meeting to be held in August 2015.

9.4 Save as disclosed above there are no service contracts or letters of appointment, between any Catlin Director or proposed director of Catlin and any member of the Catlin Group and no contract or letter of appointment has been entered into or amended within the six months preceding the date of this Scheme Document.

9.5 The effect of the Scheme on the interests of the Catlin Directors does not differ from its effect on the like interests of any other holder of Scheme Shares.

10. XL Directors' emoluments

The emoluments of the XL Directors are subject to the terms set by the compensation committee of XL that may, in the ordinary course of events, take into account the successful completion of the Offer and the size of the Enlarged XL Group. However, save as stated, the emoluments of the XL Directors will not be affected by the Offer or any other associated transaction.

11. Market quotations

11.1 The table below shows the closing middle market prices for Catlin Shares as derived from the Daily Official List:

- (A) for the first dealing day of each of the six months immediately before the date of this Scheme Document;
- (B) on 16 December 2014 (being the last business day before the commencement of the offer period);
- (C) on 8 January 2015 (being the last business day before the Announcement); and
- (D) on 31 March 2015 (being the latest practicable date before the date of this Scheme Document):

Date	Catlin Share (pence)	XL Share (pence)	XL Share (USD)
2 October 2014.....	515	2,057 ⁽¹⁾	33.21
3 November 2014	527	2,118 ⁽²⁾	33.86
2 December 2014	552	2,263 ⁽³⁾	35.39
2 January 2015	664	2,243 ⁽⁴⁾	34.45
2 February 2015	703	2,343 ⁽⁵⁾	35.21
2 March 2015	691	2,379 ⁽⁶⁾	36.54
16 December 2014.....	582	2,222 ⁽⁷⁾	35.01
8 January 2015.....	661	2,348 ⁽⁸⁾	35.42
31 March 2015	710	2,482 ⁽⁹⁾	36.80

Notes:

- (1) Based on an exchange rate of US\$1.6147: £1 on 2 October 2014
- (2) Based on an exchange rate of US\$1.5986: £1 on 3 November 2014
- (3) Based on an exchange rate of US\$1.5640: £1 on 2 December 2014
- (4) Based on an exchange rate of US\$1.5359: £1 on 2 January 2015
- (5) Based on an exchange rate of US\$1.5027: £1 on 2 February 2015
- (6) Based on an exchange rate of US\$1.5359: £1 on 2 March 2015
- (7) Based on an exchange rate of US\$1.5754:£1 on 16 December 2014
- (8) Based on an exchange rate of US\$1.5084:£1 on 8 January 2015
- (9) Based on an exchange rate of US\$1.4829:£1 on 31 March 2015

12. Material contracts

12.1 Material contracts of the XL Group

Save as disclosed below and as disclosed in paragraph 13 in relation to the Confidentiality Agreement, the Implementation Agreement, the Merger Agreement and the Code Application Letter, and in paragraph 16 in relation to the Bridge Facility, no member of the XL Group has, during the period beginning on 17 December 2012 (being the date two years before the commencement of the offer period) and ending on 31 March 2015 (being the latest practicable date before the date of this Scheme Document), entered into any material contract otherwise than in the ordinary course of business.

ARX

On 15 December 2014, XL Re Ltd ("XL Re"), an indirect wholly-owned subsidiary of XL, and other shareholders of ARX entered into a Stock Purchase Agreement with Progressive to sell all of its shares in ARX to Progressive. XL Re's shares in ARX represented approximately 40.0% of ARX's outstanding capital stock on a fully diluted basis at the time of the announcement. At 31 December 2014, XL recorded XL Re's shares in ARX as US\$204.4 million, included within Investments in Affiliates.

The transaction closed on 1 April 2015. XL Re received proceeds of approximately US\$560 million related to the sale.

Syndicated Credit Agreements

In November 2013 XL (i) entered into two new credit agreements (together, the “**Syndicated Credit Agreements**”), which provided for an aggregate amount of outstanding letters of credit and revolving credit loans of up to US\$2 billion, subject to certain options to increase the size of the facilities, and (ii) terminated the secured credit agreements dated 25 March 2011 and 9 December 2011, and the unsecured credit agreement dated 9 December 2011, which had provided for an aggregate amount of outstanding letters of credit and revolving credit loans up to US\$3 billion. The Syndicated Credit Agreements consist of (i) a secured credit agreement, which provides for the issuance of up to US\$1 billion of letters of credit and (ii) an unsecured credit agreement, which provides for the issuance of up to US\$1 billion of letters of credit and revolving credit loans. XL has the option to increase the maximum amount of letters of credit available by an additional US\$500 million across the facilities under the Syndicated Credit Agreements.

The commitments under the Syndicated Credit Agreements expire on, and such credit facilities are available until, the earlier of (i) 22 November 2018 and (ii) the date of termination in whole of the commitments upon an optional termination or reduction of the commitments by the account parties or upon the occurrence of certain events of default. The availability of letters of credit under the secured portion of the Syndicated Credit Agreements is subject to a borrowing base requirement, determined on the basis of specified percentages of the face value of eligible categories of assets varying by type of collateral. In the event that such credit support is insufficient, XL could be required to provide alternative security to cedants. This could take the form of insurance trusts supported by XL’s investment portfolio or funds withheld (amounts retained by ceding companies to collateralise loss or premium reserves) using XL’s cash resources or combinations thereof. The face amount of letters of credit required is driven by, among other things, loss development of existing reserves, the payment pattern of such reserves, the expansion of business written by XL and the loss experience of such business.

Citicorp USA, Inc., Credit Agreement

On 7 May 2013, XL-Cayman entered into the May 2013 Credit Agreement with Citicorp USA, Inc., as administrative agent and issuing lender, and the lenders party thereto, and a continuing agreement for standby letters of credit with Citibank. On 13 May 2013 and 15 May 2013, XL-Cayman entered into a credit agreement first amendment and credit agreement second amendment, respectively, to such credit agreement.

On 6 August 2013, XL-Cayman entered into the August 2013 Credit Agreement with Citicorp USA, Inc., as administrative agent and issuing lender, and the lenders party thereto and a continuing agreement for standby letters of credit with Citibank. On 12 September 2013, XL-Cayman entered into a credit agreement first amendment to such credit agreement.

Additionally, on 4 November 2013, XL-Cayman entered into the November 2013 Credit Agreement with Citicorp USA, Inc., as administrative agent and issuing lender, and the lenders party thereto and a continuing agreement for standby letters of credit with Citibank.

Collectively, the 2013 Citi Agreements and the continuing agreements for standby letters of credit provide for issuance of letters of credit and revolving credit loans in an aggregate amount of up to US\$575 million. XL-Cayman has the option to increase the maximum amount of letters of credit and revolving credit loans available under the 2013 Citi Agreements with the lender’s and issuing lender’s consent.

The commitments under the 2013 Citi Agreements expire on, and such credit facilities are available until, the earlier of (i) 20 June 2015 (with respect to the May 2013 Credit Agreement), 20 September 2015 (with respect to the August 2013 Credit Agreement) and 20 December 2016 (with respect to the November 2013 Credit Agreement) and (ii) the date of termination in whole of the commitments upon an optional termination or reduction of the commitments by the account parties or upon the occurrence of certain events of default.

Subordinated Notes Indenture

On 30 March 2015, XL-Cayman completed the sale of \$500 million aggregate principal amount of its 4.450% subordinated notes due 2025 (the “**2025 Subordinated Notes**”) and \$500 million aggregate principal amount of its 5.500% subordinated notes due 2045 (the “**2045 Subordinated Notes**”) and, together with the 2025 Subordinated Notes, the “**Subordinated Notes**”) at an issue price of 99.633% and 99.115% of the principal amount thereof, respectively. The Subordinated Notes are fully and unconditionally guaranteed by XL. The Subordinated Notes were issued pursuant to an indenture, which XL-Cayman, as issuer, and XL, as guarantor, entered into with Wells Fargo Bank, National Association, as trustee, on 30 March 2015 (the “**Base Indenture**”), as supplemented by the First Supplemental Indenture, which XL-Cayman and XL entered into with Wells Fargo Bank, National Association, as trustee, on 30 March 2015 (the “**First Supplemental Indenture**”) and, together with the Base Indenture, the “**Indenture**”).

The 2025 Subordinated Notes bear interest at a rate of 4.450% per annum, payable semiannually on 30 March and 30 September beginning on 30 September 2015. The 2045 Subordinated Notes bear interest at a rate of 5.500% per annum, payable semiannually on 30 March and 30 September beginning on 30 September 2015. If, as of any interest payment date, one or more of the mandatory deferral events prescribed in the Indenture (each, a “**Mandatory Deferral Event**”) has occurred and is continuing or would occur if payment of interest accrued on a series of Subordinated Notes were made on such interest payment date, XL-Cayman or XL, as applicable, will be required to defer payment of all (and not less than all) of the interest accrued and unpaid on such series of Subordinated Notes as of such interest payment date. Any interest which is deferred will bear no interest.

The 2025 Subordinated Notes are scheduled to mature on 31 March 2025 (the “**2025 Scheduled Maturity Date**”) and the 2045 Subordinated Notes are scheduled to mature on 31 March 2045 (together with the 2025 Scheduled Maturity Date, the “**Scheduled Maturity Date**”). Unless previously redeemed in full prior to such time, each series of Subordinated Notes will become due and payable on the applicable Scheduled Maturity Date, and XL-Cayman will repay such series of Subordinated Notes at their principal amount, together with accrued and unpaid interest (including arrears of interest) on such series of Subordinated Notes to, but excluding, such Scheduled Maturity Date, and any additional amounts thereon; provided, that, on such date, the applicable conditions to redemption prescribed in the Indenture (the “**Conditions to Redemption**”) are satisfied. If the applicable Conditions to Redemption are not satisfied on the applicable Scheduled Maturity Date, the Subordinated Notes of such series will not become due and payable on such date, interest will continue to accrue, and the Subordinated Notes of such series will become due and payable, and will be finally redeemed, on the earlier of (a) the date falling 10 business days after the applicable Conditions to Redemption are satisfied and would continue to be satisfied if the final redemption payment were made (so long as such conditions continue to be so satisfied on such 10th business day) and (b) a winding-up of XL or XL-Cayman.

Each series of Subordinated Notes will be XL-Cayman’s unsecured subordinated obligations and will rank in right of payment junior to all of XL-Cayman’s existing and future unsubordinated debt, and pari passu with all of XL-Cayman’s future debt that by its terms ranks equally in right of payment with the Subordinated Notes upon a winding-up of XL-Cayman. The guarantees will be XL’s unsecured subordinated obligations and will rank in right of payment junior to all of XL’s existing and future unsubordinated obligations, and pari passu with all of XL’s future obligations that by their terms rank equally in right of payment with the guarantees upon a winding-up of XL. Each series of Subordinated Notes and the guarantees will be structurally subordinated to all claims of creditors (including policyholders and trade creditors) of XL-Cayman’s subsidiaries.

If XL does not complete the Offer, or the Implementation Agreement is terminated, in each case on or prior to 15 December 2015, XL-Cayman will be required to redeem all of the Subordinated Notes of each series then outstanding at a redemption price of 101% of the aggregate principal amount thereof, plus accrued and unpaid interest (including arrears of interest) to, but excluding, the earlier to occur of (i) 31 December 2015, if the Offer has not been consummated on or prior to 15 December 2015 or (ii) the 15th day following the termination of the Implementation Agreement, and any additional amounts thereon. In addition to such special mandatory redemption provision, beginning on 31 March 2020, and subject to the satisfaction of the applicable Conditions to Redemption, XL-Cayman will be entitled to

redeem each series of Subordinated Notes in whole at any time, or in part from time to time, at the make-whole redemption prices prescribed in the Indenture. XL-Cayman will also be entitled to redeem each series of Subordinated Notes in the event of certain changes in applicable tax laws or applicable regulatory requirements, subject to the satisfaction of all applicable Conditions to Redemption.

The Indenture restricts the ability of XL-Cayman and XL to consolidate, merge or transfer its assets substantially in the entirety to another person. The Indenture does not contain any other restrictive covenants. An “event of default” with respect to each series of Subordinated Notes will occur only upon a winding-up of XL-Cayman or XL. A right of acceleration of the principal and accrued and unpaid interest on a series of Subordinated Notes only applies upon the occurrence of an event of default. Any failure to pay interest on a series of Subordinated Notes when due as a result of a Mandatory Deferral Event or any failure to pay principal of a series of Subordinated Notes when due as a result of any of the Conditions to Redemption not being satisfied shall not constitute an event of default under the Indenture or such series of Subordinated Notes.

12.2 Material contracts of the Catlin Group

Save as disclosed below and as disclosed in paragraph 13 in relation to the Confidentiality Agreement, the Implementation Agreement, the Merger Agreement and the Code Application Letter, no member of the Catlin Group has, during the period beginning on 17 December 2012 (being the date two years before the commencement of the offer period) and ending on 31 March 2015 (being the latest practicable date before the date of this Scheme Document), entered into any material contract otherwise than in the ordinary course of business.

On 22 December 2014, Catlin Insurance Company Limited (“**CICL**”), together with certain other sellers, entered into an agreement with Aioi Nissay Dowa Insurance Company of Europe Limited (as purchaser) (“**Aioi**”) and Aioi Nissay Dowa Insurance Co., Limited (as guarantor) for the sale of CICL’s investment in Box Innovation Group Limited (trading as “insurethebox”). As announced on 31 March 2015, CICL completed the disposal, receiving cash proceeds of approximately £85 million and the Catlin Board declared a special dividend of 11.7p per Catlin Share, payable on 24 April 2015 to shareholders of record at close of business on 10 April 2015. CICL, together with the other sellers, has given customary warranties and indemnities to Aioi. CICL’s liability in respect of the warranties and indemnities given by it is limited to a proportion of its share of the purchase price and will be time-barred if no claim is brought within a certain period after the completion date.

13. Offer-related arrangements

13.1 Confidentiality Agreement

On 16 July 2013, XL and Catlin entered into the Confidentiality Agreement pursuant to which each of XL and Catlin have agreed to keep confidential information about the other party and not to disclose to third parties (other than permitted recipients) confidential information exchanged by them unless required by law or regulation, the rules of any stock exchange or by legal process. As amended by the Implementation Agreement, these confidentiality obligations will remain in force until the earlier of (i) the completion of the Offer or (ii) 9 October 2015.

13.2 Implementation Agreement

On 9 January 2015, XL, XL Sub and Catlin entered into an Implementation Agreement in relation to the Offer and other related matters. The Implementation Agreement contains certain undertakings, assurances and confirmations among the parties, including with respect to the implementation of the Offer.

As Catlin is incorporated as a Bermuda exempted company and has its registered office in Bermuda, the Code does not apply to XL, XL Sub or Catlin, or in relation to the Offer. However, in accordance with the requirements of Catlin’s Bye-Laws and pursuant to the terms of the Implementation Agreement, XL, XL Sub and Catlin have agreed to implement the Offer, and to observe and comply with the provisions of the Code, as if Catlin were subject to the Code. In particular, XL has specifically undertaken that Rule 13 of the Code will govern the circumstances in which it can invoke any Condition so as to cause the Offer to lapse and Catlin has specifically undertaken that Rule 21 of the Code will apply to it in the period pending the

Effective Date. XL has also agreed to certain restrictions pending the Effective Date, including as to its ability to pay dividends, alter its capital structure or amend its constitutional documents, subject to various exceptions.

Pursuant to the Implementation Agreement, XL and Catlin have agreed to appoint a committee comprised of three representatives appointed by each of them (the “**Code Committee**”), which will be responsible for determining how the Code would be interpreted and applied in relation to the Offer had Catlin been subject to the Code. The Implementation Agreement also provides for referral of any matter relating to the interpretation and application of the Code to an independent expert (the “**Code Expert**”), whose rulings will (absent fraud or manifest error) be final and binding on the parties.

Pursuant to the Implementation Agreement, XL and Catlin agree to co-operate and assist each other in obtaining the Clearances required to satisfy the Conditions.

The Implementation Agreement sets out the parties’ agreement as to the treatment, in relation to the Offer, of participants in the Catlin Share Schemes.

The Implementation Agreement also sets out the circumstances in which XL may elect to implement the Offer by way of a Takeover Offer or Bermuda Merger. XL may elect, with the prior written consent of either (i) Catlin, or (ii) the Code Committee or the Code Expert, to implement the Offer by way of a Takeover Offer. XL may also elect, with the agreement of Catlin, to implement the Offer by way of a Bermuda Merger. In such circumstances, the Code Committee or the Code Expert will determine the timetable for the Takeover Offer or Bermuda Merger.

The Implementation Agreement is terminable:

- upon agreement in writing between XL and Catlin at any time prior to the Effective Date;
- by Catlin, by written notice to XL, at any time prior to the Effective Date;
- by XL, by written notice to Catlin, stating that (i) any Condition which has not been waived (or is incapable of waiver) is (or has become) incapable of satisfaction by the Long Stop Date, and (ii) notwithstanding that it may have the right to waive such Condition, it will not do so; provided that XL would, in accordance with the Implementation Agreement, be entitled to invoke (and not obliged to waive) such Condition;
- by XL, by written notice to Catlin, if:
 - (i) the Catlin Board notifies XL or publicly states that it no longer recommends (or intends to recommend) that Catlin Shareholders vote in favour of, the Offer;
 - (ii) the Catlin Board fails to provide, adversely modifies or qualifies the Catlin Board recommendation in favour of the Offer or withdraws (or publicly states that it intends to withdraw) such recommendation,

(provided that, in the case of (i) and (ii), but without prejudice to (vi) or (vii) below, the circumstances in (i) and (ii) above shall be deemed not to have arisen by reason only of any adjournment of either or both of the Court Meeting and the Special General Meeting for a specified period of time or any delay of the Court Hearing);
 - (iii) following the Court Meeting or the Special General Meeting, the Catlin Board notifies XL in writing or publicly states that Catlin will not seek the sanctioning of the Scheme by the Court;
 - (iv) the Catlin Board recommends a competing offer with a third party;
 - (v) the Scheme does not become effective by the Long Stop Date in accordance with its terms;
 - (vi) either the Court Meeting or the Special General Meeting has not been held by the date which is 22 days after 21 April 2015, being the expected date for such meeting as set out in this Scheme Document (unless extended with the written agreement of XL and Catlin); or

- (vii) the Court Hearing has not been held by the date which is 22 days after the date first fixed for the Court Hearing (which date can be determined only after the last of the Clearances has been obtained and may or may not be 29 April 2015) (or such later date as may be agreed between XL and Catlin)

(each of (i), (ii), (iii), (iv), (v), (vi) and (vii) being a “**Relevant Withdrawal Event**”);

provided that for the purposes hereof, none of the following shall itself constitute a Relevant Withdrawal Event:

- (a) any Catlin Director(s) not joining (or not continuing to participate) in any recommendation or intended recommendation so long as such recommendation or intended recommendation is concurrently maintained and reconfirmed by at least a majority of the entire Catlin Board; and
- (b) any holding statement(s) issued by the Catlin Board to Catlin Shareholders following a change of circumstances so long as (x) any such holding statement contains an express statement that such recommendation is not withdrawn and does not contain a statement that the Catlin Board intends to withdraw such recommendation and (y) if and only if the Code Expert imposes a deadline for the clarification of such holding statement, at least a majority of the Catlin Board maintains and reconfirms its recommendation to Catlin Shareholders to vote in favour of the Scheme at the Court Meeting and in favour of the special resolution to be proposed at the Special General Meeting by such deadline;
- by either XL or Catlin, by written notice to the other, if the Offer would be regarded as having lapsed or been withdrawn for the purposes of the Code; and
 - by either XL or Catlin, by written notice to the other, if the Effective Date has not occurred by the Long Stop Date.

13.3 Merger Agreement

On 9 January 2015, XL, XL Sub and Catlin entered into the Merger Agreement, which provides that immediately following, and conditional only upon, the Scheme becoming effective, Catlin will merge with and into XL Sub pursuant to section 104H of the Companies Act, with XL Sub continuing as the surviving company. If the Implementation Agreement is terminated, or if XL publicly announces a Takeover Offer or Bermuda Merger (subject to and in accordance with the Implementation Agreement), the Merger Agreement will terminate automatically.

13.4 Code Application Letter

On 9 January 2015, XL and Catlin entered into a letter agreement pursuant to which they agreed, among other things, that, for the purpose of Rule 13.5(a) of the Code, it would be of material significance to XL in the context of the Offer, if any of the Conditions set out in paragraphs (C) (PRA approval), (D) (relating to Lloyd’s approval), (E) (Bermuda Monetary Authority approval), (F) (FINMA approval), (G) (Delaware Department of Insurance approval), (H) (Texas Department of Insurance approval), (I) (New York Department of Financial Services approval) (if applicable) or (M) (US Hart-Scott-Rodino clearance) of Part A of Part Three of the Scheme Document, is not satisfied.

14. Irrevocable Undertakings

XL has received irrevocable undertakings from each of the Catlin Directors to vote or procure votes in favour of the Scheme at the Court Meeting and in favour of the special resolution to be proposed at the Special General Meeting (or, if the Offer is implemented by way of a Takeover Offer, to accept or procure acceptance of such offer) in respect of 8,423,502 Catlin Shares, representing, in aggregate, approximately 2.29 per cent. of the ordinary share capital of Catlin in issue on 31 March 2015 (being the latest practicable date before the date of this Scheme Document). The following persons have given irrevocable undertakings to vote or procure votes in favour of the Scheme and the associated resolutions to be proposed at the Court Meeting and Special General Meeting (or in the event that the Offer is implemented by way of a Takeover Offer, accept or procure acceptance of such Takeover Offer) in relation to the Scheme Shares:

Name	Total number of Catlin shares in respect of which the undertaking has been given	Percentage of issued ordinary share capital of Catlin Shares
John Barton	50,000	0.014
Stephen Catlin ¹	7,096,696	1.928
Robert Gowdy	29,350	0.008
Fiona Luck.....	5,000	0.001
Benjamin Meuli.....	1,242,456	0.338
Total	8,423,502	2.288

The Catlin Directors' irrevocable undertakings will cease to be binding in the following circumstances:

- (a) the Scheme does not become effective, or if the Offer is implemented by way of a Takeover Offer, the Offer does not become unconditional as to acceptances, in each case by 9 October 2015; or
- (b) the Offer lapses or is withdrawn.

15. Offer-related fees and expenses

15.1 *XL fees and expenses*²

The aggregate fees and expenses XL expects to incur in connection with the Offer (excluding any applicable VAT) are:

Category	Amount (£) (in thousands)
Financial and corporate broking advice.....	20,200
Legal advice ³	7,400
Accounting advice	700
Expenses related to the financing of the Offer	40,800
Other fees and expenses.....	1,200
Total	70,300

15.2 *Catlin fees and expenses*²

The aggregate fees and expenses Catlin expects to incur in connection with the Offer (excluding any applicable VAT) are expected to be:

Category	Amount (£) (in thousands)
Financial and corporate broking advice.....	16,866
Legal advice ³	5,108
Other professional fees and expenses	67
Other fees and expenses.....	26
Total	22,067

16. XL's financing arrangements in relation to the Offer

Each of Morgan Stanley and Goldman Sachs International, financial advisers to XL, is satisfied that sufficient cash resources are available to XL to enable it to satisfy in full the cash consideration payable to Catlin Shareholders under the terms of the Offer.

While the cash consideration payable by XL under the terms of the Offer is anticipated to be funded by approximately US\$1.25 billion of cash on hand and through the net proceeds of the

1 Includes 685,000 Catlin Shares held by the Catlin Settlement Trust, of which Stephen Catlin is a trustee

2 Certain of the amounts shown in sections 15.1 and 15.2 were denominated in currencies other than pounds sterling and converted to pounds sterling using the applicable exchange rate as at 31 March 2015, being the latest practicable date prior to publication of this Scheme Document. In the case of amounts expressed in US\$, the relevant exchange rate as at such date was US\$1: £1.4829

3 Some of these services are charged by reference to hourly or daily rates. Amounts included above reflect time incurred up to the latest practicable date prior to the publication of this Scheme Document and an estimate of further time required

Subordinated Notes of approximately US\$980 million, XL is able to rely on commitments to provide £1,600,000,000 of loans to XLIT, a wholly-owned subsidiary of XL, as borrower under the Bridge Facility arranged by Morgan Stanley Senior Funding, Inc. and Goldman Sachs Bank USA (the “**Arrangers**”), which loans would be onlent to XL to fund the cash consideration payable by XL under the terms of the Offer.

On 9 January 2015 (the “**Bridge Facility Effective Date**”), in connection with the Offer, XLIT, as borrower, XL, X.L. America, Inc., XL Insurance (Bermuda) Ltd, XL Re Ltd, and XL Life Ltd, as guarantors, Morgan Stanley Senior Funding, Inc., as administrative agent, Morgan Stanley Senior Funding, Inc. and Goldman Sachs Bank USA, as lenders entered into a senior unsecured 364-Day Bridge Loan Agreement (the “**Bridge Loan Agreement**”). On 30 January 2015, the Arrangers assigned a portion of their commitments under the Bridge Facility to Morgan Stanley Bank, N.A., Citibank, N.A., Deutsche Bank AG Cayman Islands Branch, HSBC Bank Bermuda Limited, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Credit Agricole Corporate and Investment Bank, The Royal Bank of Scotland plc, Lloyds Bank plc, ING Bank N.V., London Branch, Credit Suisse AG, Cayman Islands Branch and BNP Paribas who became additional lenders to the Bridge Facility pursuant to an assignment and assumption agreement of the same date.

Advances under the Bridge Loan Facility will be available on a date after the Bridge Facility Effective Date, subject to satisfaction of certain conditions set forth in the Bridge Loan Agreement (the “**Closing Date**”). One of the conditions to the lenders’ obligation to fund the Bridge Facility is that the Offer be consummated in all material respects pursuant to the relevant documents provided to the lenders relating to the Offer, without giving effect to any modifications, consents, amendments or waivers that would be materially adverse to the interests of the lenders or the Arrangers, unless such modifications, consents, amendments or waivers are required by the Code Committee (and, if applicable, the Code Expert) in accordance with the terms of the Implementation Agreement, or each of the Arrangers have provided their written consent thereto, and that in the case of any such modifications, consents, amendments or waivers required by the Code Committee that would be materially adverse to the interests of the lenders or the joint lead arrangers, upon the request of either Arranger, XLIT will be required to obtain written confirmation from the Code Expert that the Code Expert concurs with such requirement of the Code Committee. All principal and interest payable under the Bridge Facility will be due on the earlier of (a) the date that is 364 days after the Closing Date or (b) the date on which the maturity of the loans is accelerated in accordance with the terms thereof. The maturity of the loans may be accelerated following the occurrence and continuation of certain events of default, and will be automatically accelerated in the case of certain events of default relating to insolvency or bankruptcy of XLIT Ltd or XL.

Commitments under the Bridge Facility (or, to the extent such commitments are funded, loans outstanding under the Bridge Facility) may be voluntarily reduced (or prepaid) by XLIT without premium or penalty, other than payment of customary breakage costs. Such voluntary reductions, except in certain circumstances, will require cash equal to such reduction to be placed in an escrow account to satisfy “funds certain” requirements for the Offer as required by XL’s financial advisers. Commitments under the Bridge Facility (or, to the extent such commitments are funded, loans outstanding under the Bridge Facility) will be subject to mandatory reduction (or, in the case of loans, mandatory prepayment), by (a) the net cash proceeds of any sale, transfer or other disposition of, or casualty or condemnation event with respect to, assets of XL and its subsidiaries (other than the sale of investments in the ordinary course) to the extent such proceeds are not reinvested, subject to certain exceptions and thresholds, (b) the net cash proceeds of the sale or issuance of debt securities or incurrence of other debt of XL or any of its subsidiaries, subject to certain exceptions and thresholds and (c) the net cash proceeds of the sale or issuance of equity securities or equity-linked securities issued by XL or any of its subsidiaries, subject to certain exceptions and thresholds. Such mandatory commitment reductions, except in certain circumstances, will require cash equal to such reduction to be placed in an escrow account to satisfy “funds certain” requirements for the Offer as required by XL’s financial advisers.

Borrowings under the Bridge Facility will bear interest at an adjusted LIBO rate plus an applicable margin. The applicable margin ranges from 1.125 per cent. to 2.00 per cent. per annum depending on the public debt rating of XLIT then in effect, increasing by 0.25 per cent. (with respect to each level of public debt rating) every 90 days after the Closing Date. The commitments outstanding under the Bridge Facility will be subject to an unused commitment fee at a rate per annum equal to, from the Bridge Facility Effective Date through the date that is 179 days after the Bridge Facility Effective Date, 0.10 per cent., and, thereafter, 0.175 per cent., on the daily average

undrawn commitments under the Bridge Facility. In addition, XLIT has agreed to pay a duration fee under the Bridge Facility on the aggregate principal amount of any loans outstanding (i) on the 90th day after the Closing Date equal to 0.50 per cent., (ii) on the 180th day after the Closing Date equal to 0.75 per cent. and (iii) on the 270th day after the Closing Date equal to 1.00 per cent.

The commitments under the Bridge Facility, unless previously terminated, will terminate on the earliest of (i) certain mandatory cancellation events, (ii) the date on which the obligations of XL to pay the cash consideration payable to Catlin Shareholders pursuant to and in accordance with the Implementation Agreement, and applicable laws and regulations have been discharged in full, (iii) if the Closing Date has not occurred by then, 11.59 p.m. (New York City time) on the later of (a) 9 October 2015 and (b) in the event that on or before 9 October 2015, the Scheme becomes effective in accordance with its terms (or, to the extent permitted by the Bridge Loan Agreement, a merger (in lieu of the Scheme) becomes effective or a Takeover Offer closes) and XLIT has submitted a borrowing request for bridge loans, then the date that is three business days following the date of such borrowing request and (iv) the earlier of the date that is 90 days following the Closing Date and the date of consummation of a second step acquisition in the event the Offer is completed pursuant to a Takeover Offer.

The Bridge Loan Agreement contains financial covenants that require XL to maintain a minimum consolidated net worth and a maximum ratio of total consolidated debt to the sum of total consolidated debt plus consolidated net worth, and that require each of XL Insurance (Bermuda) Ltd, XL Re Ltd and XL Re Europe SE to maintain a financial strength rating of no less than “A-” from A.M. Best. The terms of the Bridge Facility also include customary affirmative covenants, negative covenants and events of default. Subsequent to any funding of loans under the Bridge Facility, if an event of default under the Bridge Loan Agreement shall occur and be continuing, the maturity of such loans and all other obligations of XLIT under the Bridge Loan Agreement may be accelerated.

The Bridge Facility is guaranteed by XL, X.L. America, Inc., XL Insurance (Bermuda) Ltd, XL Re Ltd and XL Life Ltd.

17. Redemption or purchase of own securities by XL

No relevant securities of XL have been redeemed or purchased by XL during the offer period, other than 54,558 XL Shares which were withheld and subsequently cancelled by XL on account of taxes payable in respect of restricted stock awards.

18. Ratings

18.1 Catlin

Catlin currently writes insurance and reinsurance business through a small number of regulated underwriting entities (“**insurance carriers**”). These insurance carriers are legal entities that Catlin owns and operates. They are assigned financial strength ratings by major insurance ratings agencies and have their own financial accounts. The current financial strength ratings assigned to those entities are set out below.

18.1.1 Standard & Poor’s

Entity	Financial Strength Rating	Issuer Credit Rating	Debt Rating	Lloyd’s Syndicate Assessment
Catlin Insurance Company Ltd	A/Stable	A/Stable	—	—
US\$600m Preferred Stock.....	—	—	BBB+	—
Catlin Re Switzerland.....	A/Stable	A/Stable	—	—
Catlin Insurance Company (UK) Ltd .	A/Stable	A/Stable	—	—
Catlin Insurance Company Inc.....	A/Stable	A/Stable	—	—
Catlin Specialty Insurance Co	A/Stable	A/Stable	—	—
Lloyd’s Market Rating	A+/Stable	A+/Stable	—	—
Syndicate 2003	—	—	—	4+

Following the Announcement of the Offer on 9 January 2015, Standard & Poor’s affirmed the ratings of Catlin’s (re)insurance carriers.

18.1.2 A.M. Best

Entity	Financial Strength Rating	Issuer Credit Rating	Debt Rating	Lloyd's Syndicate Assessment
Catlin Group Limited.....	—	bbb/u	—	—
Catlin Insurance Company Ltd.....	A/u	a/u	—	—
US\$600m Preferred Stock.....	—	—	bbb/u	—
Catlin Re Switzerland.....	A/u	a/u	—	—
Catlin Insurance Company (UK) Ltd .	A/u	a/u	—	—
Catlin Insurance Company Inc.....	A/u	a/u	—	—
Catlin Specialty Insurance Co	A/u	a/u	—	—
Catlin Indemnity Company	A/u	a/u	—	—
Catlin Underwriting.....	—	bbb/u	—	—
US\$27m/€7m Sub Debt	—	—	bbb-/u	—
Lloyd's Market Rating	A/Positive	a+/Positive	—	—

Following the Announcement of the Offer on 9 January 2015, A.M. Best placed the ratings of Catlin's (re)insurance carriers under review with positive implications.

18.2 XL

XL provides property, casualty and specialty products to industrial, commercial and professional firms, insurance companies and other enterprises on a worldwide basis through its subsidiaries. XL's core operating subsidiaries hold a Financial Strength Rating of 'A' from A.M. Best, 'A+' from Fitch, 'A2' from Moody's and 'A+' from S&P.

18.2.1 Standard & Poor's

Entity	Financial Strength Rating	Long Term Debt Rating
Greenwich Insurance Company	A+/Stable	—
Indian Harbor Insurance Company.....	A+/Stable	—
XL Insurance America Inc.....	A+/Stable	—
XL Insurance (Bermuda) Ltd.....	A+/Stable	—
XL Insurance Company SE (UK)	A+/Stable	—
XL Insurance Company SE (Canada)	—	—
XL Insurance Company of New York, Inc.	A+/Stable	—
XL Insurance Switzerland Ltd	A+/Stable	—
XL Re Europe SE	A+/Stable	—
XL Re Latin America Ltd	A+/Stable	—
XL Re Ltd.....	A+/Stable	—
XL Re Ltd – (UK Branch)	A+/Stable	—
XL Reinsurance America Inc.....	A+/Stable	—
XL Select Insurance Company.....	A+/Stable	—
XL Specialty Insurance Company	A+/Stable	—
X.L. America, Inc.	—	A-/Stable
XLIT Ltd.....	—	A-/Stable
XL Group plc.....	—	—

Following the Announcement of the Offer on 9 January 2015, Standard & Poor's affirmed the ratings of XL's core operating subsidiaries with a stable outlook.

18.2.2 A.M. Best

Entity	Financial Strength Rating	Long Term Debt Rating
Greenwich Insurance Company	A/u	—
Indian Harbor Insurance Company	A/u	—
XL Insurance America Inc.	A/u	—
XL Insurance (Bermuda) Ltd.....	A/u	—
XL Insurance Company SE (UK)	A/u	—
XL Insurance Company SE (Canada)	A/u	—
XL Insurance Company of New York, Inc.	A/u	—
XL Insurance Switzerland Ltd	A/u	—
XL Re Europe SE	A/u	—
XL Life Ltd.....	B++	—
XL Re Latin America Ltd	A/u	—
XL Re Ltd.....	A/u	—
XL Re Ltd – (UK Branch)	—	—
XL Reinsurance America Inc.	A/u	—
XL Select Insurance Company.....	A/u	—
XL Specialty Insurance Company	A/u	—
X.L. America, Inc.	—	—
XLIT Ltd.....	—	bbb+/u
XL Group plc.....	—	bbb+/u

Following the Announcement of the Offer on 9 January 2015, A.M. Best placed the rating of the above entities under review with negative implications.

18.2.3 Moody's

Entity	Financial Strength Rating	Long Term Debt Rating
Greenwich Insurance Company	A2/Stable	—
Indian Harbor Insurance Company	A2/Stable	—
XL Insurance America Inc.	—	—
XL Insurance (Bermuda) Ltd.....	A2/Stable	—
XL Insurance Company SE (UK)	A2/Stable	—
XL Insurance Company SE (Canada)	—	—
XL Insurance Company of New York, Inc.	A2/Stable	—
XL Insurance Switzerland Ltd	A2/Stable	—
XL Re Europe SE	—	—
XL Re Latin America Ltd	—	—
XL Re Ltd.....	A2/Stable	—
XL Re Ltd – (UK Branch)	—	—
XL Reinsurance America Inc.	A2/Stable	—
XL Select Insurance Company.....	—	—
XL Specialty Insurance Company	A2/Stable	—
X.L. America, Inc.	—	—
XLIT Ltd.....	—	Baa2/Stable
XL Group plc.....	—	—

Following the Announcement of the Offer on 9 January 2015, Moody's affirmed the financial strength ratings of XL's principal operating subsidiaries with a stable outlook.

18.2.4 Fitch

Entity	Financial Strength Rating	Long Term Debt Rating
Greenwich Insurance Company	A+/Stable	—
Indian Harbor Insurance Company	A+/Stable	—
XL Insurance America Inc.	A+/Stable	—
XL Insurance (Bermuda) Ltd.....	A+/Stable	—
XL Insurance Company SE (UK)	A+/Stable	—
XL Insurance Company SE (Canada)	—	—
XL Insurance Company of New York, Inc.	A+/Stable	—
XL Insurance Switzerland Ltd	A+/Stable	—
XL Re Europe SE	A+/Stable	—
XL Re Latin America Ltd	A+/Stable	—
XL Re Ltd.....	A+/Stable	—
XL Re Ltd – (UK Branch)	—	—
XL Reinsurance America Inc.....	A+/Stable	—
XL Select Insurance Company.....	A+/Stable	—
XL Specialty Insurance Company	A+/Stable	—
X.L. America, Inc.	—	—
XLIT Ltd.....	—	A-/Stable
XL Group plc.....	—	—

Following the Announcement of the Offer on 9 January 2015, Fitch affirmed the financial strength ratings of XL’s subsidiaries with a stable outlook.

19. Persons acting in concert

19.1 The persons who (in addition to the XL Directors and members of the XL Group), for the purposes of the Code (as applied pursuant to the Implementation Agreement), are acting in concert with XL are:

Name	Registered Office	Relationship
Morgan Stanley & Co International plc	25 Cabot Square, Canary Wharf, London, E14 4QA	Financial adviser
Goldman Sachs International	Peterborough Court, 133 Fleet Street, London EC4A 2BB	Financial adviser

19.2 The persons who (in addition to the Catlin Directors and members of the Catlin Group), for the purposes of the Code (as applied pursuant to the Implementation Agreement), are acting in concert with Catlin are:

<u>Name</u>	<u>Registered Office</u>	<u>Relationship</u>
Evercore International Partners LLP.....	15 Stanhope Gate, London W1K 1LN	Financial adviser
J.P. Morgan Limited	25 Bank Street, Canary Wharf E14 5JP	Financial adviser
Barclays Bank PLC.....	1 Churchill Place, London E14 5JP	Financial adviser
Catlin Group Employee Benefit Trust	The Trustee, Catlin Group Limited Employee Benefit Trust, c/o Appleby Trust Services, Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda	Employee Benefit Trust
Wellington Underwriting plc Employee Benefit Trust.....	Frances House, Sir William Place, St Peter Port, Guernsey GY1 4HQ	Employee Benefit Trust

20. No significant change

20.1 There has been no significant change in the financial or trading position of the XL Group since 31 December 2014, being the date to which the latest financial information published by XL Group was prepared.

20.2 The following significant change to the financial condition and trading position of the Catlin Group occurred since 31 December 2014, being the date to which the latest financial information published by Catlin was prepared: as announced on 31 March 2015, Catlin completed the disposal of ITB on the same day for cash consideration of approximately £85 million and the Catlin Board declared a special dividend of 11.7p per Catlin Share, payable on 24 April 2015 to shareholders of record at close of business on 10 April 2015.

20.3 Save as disclosed in paragraph 20.2 above, there has been no significant change in the financial or trading position of Catlin Group since 31 December 2014, being the date to which the latest financial information published by Catlin was prepared.

21. Consents

J.P. Morgan Cazenove has given and not withdrawn its written consent to the issue of this Scheme Document with the inclusion of references to its name in the form and context in which they are included and with the inclusion of its explanatory statement in the form and context in which it is included.

Evercore has given and not withdrawn its written consent to the issue of this Scheme Document with the inclusion of references to its name in the form and context in which they are included and with the inclusion of its explanatory statement in the form and context in which it is included.

Barclays has given and not withdrawn its written consent to the issue of this Scheme Document with the inclusion of references to its name in the form and context in which they are included.

Each of Morgan Stanley and Goldman Sachs International has given and not withdrawn its written consent to the issue of this Scheme Document with the inclusion of references to its name in the form and context in which they are included.

22. Documents published on a website and available for inspection

Copies of the following documents are available for viewing on Catlin's website at www.catlin.com (in each case subject to certain access restrictions) and also available for inspection at

Catlin's office at 20 Gracechurch Street, London EC3V 0BG, and at the offices of Slaughter and May, One Bunhill Row, London EC1Y 8YY during usual business hours on Monday to Friday of each week (public holidays excepted) in each case, up to and including the Effective Date or the date the Scheme lapses or is withdrawn, whichever is earlier:

- (A) this Scheme Document, together with specimens of the Forms of Proxy, the Forms of Direction and the Form of Election and the terms and conditions of the nominee arrangement pursuant to which the New XL Shares will be delivered to holders of Scheme Shares in certificated form;
- (B) the constitutional documents of each of Catlin and XL;
- (C) the Bye-Laws of Catlin as proposed to be amended at the Special General Meeting;
- (D) the consolidated audited report and accounts of Catlin for the three financial years ended 31 December 2014, 31 December 2013 and 31 December 2012;
- (E) full lists of dealings set out in sections 5 and 7 of Part Eight, to the extent that those dealings have been aggregated in this Scheme Document;
- (F) the written consents referred to in paragraph 21 above;
- (G) the Confidentiality Agreement, the Implementation Agreement, the Merger Agreement and the Code Application Letter referred to in paragraph 13 above; and
- (H) the irrevocable undertakings referred to in paragraph 14 above.

XL's Irish Prospectus will be available, subject to certain access restrictions, to view on XL's website at www.xlgroup.com. Hard copies will also be made available for inspection at the offices of Skadden, Arps, Slate, Meagher & Flom, 40 Bank Street, Canary Wharf, London, E14 5DS and at XL's office at 70 Gracechurch Street, London, EC3V 0XL, in each case during usual business hours on Monday to Friday of each week (public holidays excepted) up to and including the Effective Date or the date the Scheme lapses or is withdrawn, whichever is earlier.

23. Sources of information, bases of calculation and other information

23.1 The aggregate Offer value of approximately £2.79 billion is based on:

- (A) a value of US\$35.42 per XL Share, being the closing price on the New York Stock Exchange on 8 January 2015 (being the latest practicable date before the date of the Announcement) and the exchange rate of US\$1.5084:£1 on that date; and
- (B) the assumption that there will be 390 million Catlin Shares in issue at the Scheme Record Time.

23.2 The aggregate Offer value of approximately £2.86 billion is based on:

- (A) a value of US\$36.80 per XL Share, being the closing price on the New York Stock Exchange on 31 March 2015 (being the latest practicable date before the date of this Scheme Document) and the exchange rate of US\$1.4829:£1 on that date; and
- (B) the assumption that there will be 390 million Catlin Shares in issue at the Scheme Record Time.

23.3 The assumption that there will be up to 390 million Catlin Shares in issue at the Scheme Record Time is based on the number of Catlin Shares in issue and the number of outstanding options and awards under the Catlin Share Schemes, in each case as at 31 March 2015 (being the latest practicable date before the date of this Scheme Document), and the agreement between XL and Catlin (as set out in the Implementation Agreement) as to the maximum number of options and awards that, on vesting or exercise (or deemed exercise) may be settled by the allotment and issue of new Catlin Shares instead of in cash. The actual number of Catlin Shares in issue at the Scheme Record Time may be less than 390 million.

23.4 Unless otherwise stated all prices and closing prices for Catlin Shares are closing middle market quotations derived from the London Stock Exchange Daily Official List and for XL Shares are the closing price on the New York Stock Exchange as reported through Bloomberg.

23.5 Volume weighted average closing prices are derived from Bloomberg data.

23.6 256,683,621 XL Shares were in issue on 30 March 2015 (being the latest practicable date for obtaining such information for this Scheme Document).

- 23.7 Unless otherwise stated, the financial information relating to Catlin is extracted or derived (without any adjustment) from the audited consolidated financial statements of Catlin for the financial year to 31 December 2014, which were prepared in accordance with accounting principles generally accepted in the US.
- 23.8 Unless otherwise stated, the financial information relating to XL is extracted or derived (without any adjustment) from the financial statements of XL for the financial year ended 31 December 2014, which were prepared in accordance with accounting principles generally accepted in the US.
- 23.9 The synergy numbers are unaudited and are based on analysis by XL's management and on XL's and Catlin's internal records.
- 23.10 In accordance with the requirements of Rule 2.12 of the Code, Catlin has made available to employees a copy of the Announcement and has informed employees of the right of employee representatives under Rule 25.9 of the Code to require that a separate opinion of the employee representatives on the effects of the Offer on employment be appended to this document. As at the date of publication of this document, no such opinion has been provided. If Catlin is provided with such an opinion after the date of this document, Catlin will publish that opinion in accordance with the requirements of Rule 25.9 of the Code, as if such requirements applied to Catlin.

PART NINE: NOTES FOR MAKING ELECTIONS UNDER THE MIX AND MATCH FACILITY

If you wish to receive 388 pence in cash and 0.130 New XL Shares for each Scheme Share that you hold at the Scheme Record Time, **DO NOT RETURN** a Form of Election or send a TTE Instruction.

If you hold Catlin Shares in certificated form and you wish to make an election under the Mix and Match Facility:

- You must complete and sign a GREEN Form of Election in accordance with the instructions printed thereon and return it to Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom so as to be received by the Election Return Time, which is currently expected to be 1.00 p.m. (London time) on 28 April 2015. A reply-paid envelope (marked with a GREEN flash), for use in the UK only, is enclosed for your convenience.

If you hold Catlin Shares in uncertificated form and you wish to make an election under the Mix and Match Facility:

- You must submit your election electronically by taking (or procuring to be taken) the actions set out below to transfer the Scheme Shares in respect of which you wish to make an election under the Mix and Match Facility to an escrow balance, using a TTE Instruction specifying Capita (in its capacity as a CREST participant under the ID RA10) as the escrow agent. Such action must be taken by the Election Return Time, which is currently expected to be 1.00 p.m. (London time) on 28 April 2015.

If you are an Overseas Shareholder or hold Scheme Shares on behalf of an Overseas Shareholder:

- **Certain Overseas Shareholders will not be sent XL's Irish Prospectus and will not be entitled to participate in the Mix and Match Facility.**
- You should inform yourself about and should observe any applicable legal or regulatory requirements in the jurisdiction in which you or the Scheme Shareholder(s) on whose behalf you hold Scheme Shares are located. If you are in any doubt about your position, you should consult your professional adviser in the relevant jurisdiction. The Mix and Match Facility is not available to Overseas Shareholders with a registered address in a Restricted Jurisdiction, or whom Catlin or XL reasonably believes to be resident or incorporated in, or a citizen of, a Restricted Jurisdiction.

If you hold Catlin Shares in certificated form and Catlin Shares in uncertificated form and you wish to make an election under the Mix and Match Facility in respect of each such holding, you must make a separate election in respect of each holding.

If you need further copies of the Form of Election, please telephone the Catlin Group Limited Shareholder Helpline on 0333 300 1573 from within the UK or on + 44 333 300 1573 if calling from outside the UK. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The Catlin Group Limited Shareholder Helpline is open between 9.00 a.m. and 5.30 p.m. (London time), Monday to Friday (excluding UK public holidays). Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Scheme or the Offer, nor give any financial, legal or tax advice.

An election under the Mix and Match Facility will only be accepted under the Mix and Match Facility in respect of a whole number of Catlin Shares. Any election under the Mix and Match Facility which is made in respect of a number of Catlin Shares which is not a whole number shall be deemed to be made in respect of the nearest whole number of Catlin Shares when rounded down.

Cash Elections and Share Elections will be satisfied only to the extent that others make offsetting elections. To the extent that Share Elections or Cash Elections cannot be satisfied in full: (i) the number of Catlin Shares in respect of which a Share Election or Cash Election has been made will be scaled down *pro rata* in proportion to the number of Catlin Shares in respect of which the relevant election is made (or as near thereto as XL and Catlin in their absolute discretion consider practicable among electors); and (ii) the balance of the Catlin Shares the subject of such elections shall be deemed to be Catlin Shares in respect of which no election has been made.

Minor adjustments to the entitlements of Catlin Shareholders pursuant to elections made under the Mix and Match Facility may be made by Capita under instruction from Catlin on a basis that Catlin considers to be fair and reasonable to the extent necessary to satisfy all entitlements pursuant to elections under the Mix and Match Facility, as nearly as may be practicable. Such adjustments shall be final and binding on Scheme Shareholders and holders of Depository Interests.

You should be aware that if you buy or sell Catlin Shares after having made an election under the Mix and Match Facility, the number of Catlin Shares (respectively) to which your election applies may be affected as set out below.

If a shareholder has made a valid election in respect of ALL of his Catlin Shares (respectively), then:

- (a) the validity of the Cash Election or the Share Election (as the case may be), shall not be affected by any alteration in the number of Catlin Shares held by that shareholder at any time prior to the Scheme Record Time; and
- (b) accordingly, the Cash Election or the Share Election (as the case may be), will apply in respect of all of the Catlin Shares (respectively) which shareholder holds immediately prior to the Scheme Record Time.

If a shareholder has made a valid Cash Election or Share Election in respect of a specified number of Catlin Shares, representing part but not all of his holding and at the Scheme Record Time the number of Catlin Shares held by that shareholder is:

- (a) equal to or in excess of the number of Catlin Shares to which such election(s) relate(s), the validity of the election(s) made by the Catlin Shareholder shall not be affected by any alteration in the number of Catlin Shares held by the Catlin Shareholder at any time prior to the Scheme Record Time and any reduction in his holding shall be treated first as a disposal of those Catlin Shares (respectively) in respect of which he did not make such election; or
- (b) less than the aggregate number of Catlin Shares to which such election(s) relate, then:
 - (i) if the Catlin Shareholder has made only a valid Cash Election, he shall be treated as having made a Cash Election in respect of his entire holding of Catlin Shares;
 - (ii) if the Catlin Shareholder has made only a valid Share Election, he shall be treated as having made a Share Election in respect of his entire holding of Catlin Shares;
 - (iii) if the Catlin Shareholder has made both a valid Cash Election and a valid Share Election, then:
 - (A) Share Elections made by the Catlin Shareholder shall be reduced so as to apply to the number of Catlin Shares calculated by multiplying (i) the number of Catlin Shares held by the Catlin Shareholder at the Scheme Record Time by (ii) the fraction calculated by dividing the number of Catlin Shares the subject of the relevant Share Elections above by the aggregate number of Catlin Shares the subject of all the Share Elections and Cash Elections made by the Catlin Shareholder, and (where applicable) rounding down to the nearest whole number of Catlin Shares; and
 - (B) the Cash Elections made by the Catlin Shareholder shall be reduced so as to apply to all the Catlin Shares held by the Catlin Shareholder at the Scheme Record Time which are not the subject of Share Elections as scaled down pursuant to subparagraph (A) above.

Additional information for holders of Catlin Shares held in uncertificated form

If you are a CREST personal member, you should refer to your CREST sponsor before taking any action. Your CREST sponsor will be able to confirm details of your participant ID and the member account ID under which your Scheme Shares are held. In addition, only your CREST sponsor will be able to send the TTE Instruction to Euroclear in relation to your Scheme Shares.

You should send (or, if you are a CREST personal member, procure that your CREST sponsor sends) a TTE Instruction to Euroclear which must be properly authenticated in accordance with Euroclear's specifications and which must contain, in addition to the other information that is required for a TTE Instruction to settle in CREST, the following details:

- (i) the number of Catlin Shares in respect of which you are making an election under the Mix and Match Facility (the depository interests representing such Catlin Shares to be transferred to an escrow balance);

- (ii) your member account ID;
- (iii) your participant ID;
- (iv) the participant ID of the escrow agent, Capita Asset Services, in its capacity as a CREST Receiving Agent. This is “RA10”;
- (v) the relevant member account ID(s) of the escrow agent, Capita Asset Services, in its capacity as a CREST receiving Agent:
 - (a) to make a Share Election, this is “40294SHA”;
 - (b) to make a Cash Election, this is “40294CAS”; and
 - (c) to transfer shares held on behalf of Overseas Shareholders not entitled to make elections under the Mix and Match Facility, this is “RESTRICT”;
- (vi) the ISIN of the relevant Scheme Shares (this is “BMG196F11004”);
- (vii) the intended settlement date (this should be as soon as possible and in any event by the Election Return Time, which is currently expected to be 1.00 p.m. (London time) on 28 April 2015);
- (viii) the corporate action number for the transaction, this is allocated by Euroclear and can be found by viewing the relevant corporate action details on screen in CREST;
- (ix) CREST standard delivery instructions priority of 80; and
- (x) a contact name and telephone number (inserted in the shared note field of the TTE Instruction).

After submitting the TTE Instruction, you will not be able to access the Catlin Shares concerned in CREST for any transaction or for charging purposes. If the Scheme is implemented in accordance with its terms, the escrow agent will arrange for the cancellation of the Catlin Shares. You are recommended to refer to the CREST Manual published by Euroclear for further information on the CREST procedure outlined above. A TTE Instruction is revocable. Please refer to the CREST Manual for information about how to withdraw a TTE Instruction.

If you have sent a TTE Instruction to the RESTRICT member account as described above, a valid ESA instruction (a “**Restricted ESA Instruction**”) will also need to be sent. Such purported election will not be treated as valid unless both the TTE Instruction and the Restricted ESA Instruction settle in CREST and XL and Catlin decide, in their absolute discretion, that such purported election should be accepted. If XL and Catlin so decide, the Receiving Agent will accept the purported election on the terms of this Scheme Document by transmitting in CREST a receiving agent accept (“AEAN”) message. Otherwise, the Receiving Agent will reject the purported election by transmitting in CREST a receiving agent reject (“AEAD”) message. Each Restricted ESA Instruction must, in order for it to be valid and settle, include the following details:

- (i) the corporate action ISIN number of the Scheme Shares (this is “BMG196F11004”);
- (ii) the number of Scheme Shares in uncertificated form relevant to that Restricted ESA Instruction;
- (iii) your participant ID;
- (iv) your member account ID;
- (v) the participant ID of the escrow agent, Capita Asset Services, in its capacity as a CREST Receiving Agent set out in the Restricted Escrow Transfer. This is “RA10”;
- (vi) the member account ID of the escrow agent, Capita Asset Services, in its capacity as a CREST Receiving Agent set out in the Restricted Escrow Transfer. This is “RESTRICT”;
- (vii) the relevant member account ID(s) of the escrow agent, Capita Asset Services, in its capacity as a CREST receiving Agent:
 - (a) to make a Share Election, this is “40294SHA”; and
 - (b) to make a Cash Election, this is “40294CAS”;
- (viii) the CREST transaction ID of the TTE Instruction message sent to the RESTRICT member account to which the Restricted ESA Instruction relates;
- (ix) the intended settlement date (this should be as soon as possible and in any event by the Election Return Time, which is currently expected to be 1.00 p.m. (London time) on 28 April 2015);
- (x) the corporate action number for the transaction; and

(xi) input with a standard delivery instruction priority of 80.

You should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE Instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST sponsor) to enable a TTE Instruction relating to your Scheme Shares to settle by the Election Return Time, which is currently expected to be 1.00 p.m. (London time) on 28 April 2015. In this connection, you are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Withdrawals

If you have returned a Form of Election and subsequently wish to withdraw or amend that election, please contact Capita in writing by the Election Return Time, which is currently expected to be 1.00 p.m. (London time) on 28 April 2015. Please clearly specify whether you would like to withdraw or amend the election that you have made and ensure that your request contains an original signature. Any written requests of this nature should be sent to Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom. It is at Capita Asset Services' absolute discretion to require the submission of a new Form of Election if an amendment is requested.

If your election was made through a TTE Instruction, you may withdraw your election through CREST by sending (or, if you are a CREST sponsored member, procuring that your CREST sponsor sends) an ESA instruction to settle in CREST by the Election Return Time, which is currently expected to be 1.00 p.m. (London time) on 28 April 2015, in relation to each election to be withdrawn. Each ESA instruction must, in order for it to be valid and to settle, include the following details:

- (i) the number of Scheme Shares to be withdrawn, together with their ISIN, which is "BMG196F11004";
- (ii) your member account ID;
- (iii) your participant ID;
- (iv) the participant ID of the escrow agent, Capita Asset Services, in its capacity as a CREST Receiving Agent. This is "RA10";
- (v) the relevant member account ID(s) of the escrow agent, Capita Asset Services, in its capacity as a CREST receiving Agent included in the relevant election (this is either 40294CAS if a Cash Election was made or 40294SHA if a Share Election was made);
- (vi) the CREST transaction ID of the election to be withdrawn;
- (vii) the intended settlement date for the withdrawal;
- (viii) the corporate action number for the transaction (this is allotted by Euroclear and can be found by viewing the relevant corporate action details on screen in CREST); and
- (ix) CREST standard delivery instructions priority of 80.

Any such withdrawal will be conditional upon Capita verifying that the withdrawal request is validly made. Accordingly, Capita will on behalf of XL and Catlin reject or accept the withdrawal or amendment by transmitting in CREST an AEAD or AEAN message.

Late or incomplete elections

If any Form of Election or TTE Instruction in respect of an election under the Mix and Match Facility is either received after the Election Return Time, which is currently expected to be 1.00 p.m. (London time) on 28 April 2015, or received before such time and date but is not valid or complete in all respects at such time and date, such election shall, for all purposes, be void (unless XL and Catlin, in their absolute discretion, elect to treat as valid, in whole or in part, any such election).

General

Without prejudice to any other provision of this section or the Form of Election or otherwise, Catlin and XL reserve the right (subject to the terms of the Offer and the provisions of the Code) to treat as valid in whole or in part any election which is not entirely in order.

No acknowledgements of receipt of any Form of Election, TTE Instruction or other documents will be given. All communications, notices, other documents and remittances to be delivered by from

or on behalf of holders of Catlin Shares (or their designated agent(s)) or as otherwise directed will be delivered by or to or sent to or from such holders of Catlin Shares or their designated agent(s)) at their own risk.

XL, Catlin and their respective agents reserve the right to notify any matter to all or any Scheme Shareholders with registered addresses outside the UK or to the nominees, trustees or custodians for such Scheme Shareholders by announcement in the UK or paid advertisement in any daily newspaper published and circulated in the UK or any part thereof, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any such Scheme Shareholders to receive or see such notice. All references in this Scheme Document to notice in writing, or the provision of information in writing, by or on behalf of XL, Catlin and their respective agents shall be construed accordingly. No such document shall be sent to an address outside the UK where it would or might infringe the laws of that jurisdiction or would or might require XL or Catlin to obtain any governmental or other consent or to effect any registration, filing or other formality with which, in the opinion of XL or Catlin, it would be unable to comply or which it regards as unduly onerous.

The Form of Election and all elections thereunder, all action taken or made or deemed to be taken or made pursuant to any of these terms shall be governed by and interpreted in accordance with Bermudian law.

Execution of a Form of Election or the submission of a TTE Instruction by or on behalf of a Catlin Shareholder will constitute its or his agreement that the courts of Bermuda are (subject to the paragraph below) to have non-exclusive jurisdiction to settle any dispute which may arise in connection with the creation, validity, effect, interpretation or performance of the Form of Election or the submission of a TTE Instruction, and for such purposes that he irrevocably submits to the jurisdiction of the Bermudian courts.

Execution of a Form of Election or the submission of a TTE Instruction by or on behalf of a Catlin Shareholder will constitute his agreement that the agreement in the paragraph above is included for the benefit of XL, Catlin and their respective agents and, accordingly, notwithstanding the agreement in the paragraph above, each of XL, Catlin and their respective agents shall retain the right to, and may in its absolute discretion, bring proceedings in the courts of any other country which may have jurisdiction and that the electing Scheme Shareholder irrevocably submits to the jurisdiction of the courts of any such country.

The subscription of any New XL Shares by or on behalf of a Scheme Shareholder pursuant to this Scheme will, to the extent such New XL Shares are to be held in the Direct Registration System, constitute his agreement that upon any future transfer of such New XL Shares, the transferor of such shares shall be deemed to have irrevocably appointed the Secretary or Assistant Secretary of XL (or any duly authorised delegate or attorney of the Secretary or Assistant Secretary) as its agent to execute, complete and deliver an instrument of transfer in the name of and on behalf of such transferor. If the Scheme is not implemented in accordance with its terms, any election made shall cease to be valid.

None of XL, Catlin, Capita nor any of their respective advisers or any other person accept any liability for any loss or alleged loss arising from any decision as to the treatment of elections under the Scheme on any of the bases set out in this section or otherwise in connection therewith.

Unsettled trades

As at the close of trading on the last day of dealings in Catlin Shares prior to the Effective Date, there may be unsettled, open trades for the sale and purchase of Catlin Shares within CREST. Catlin Shares that are the subject of such unsettled trades will be treated under the Scheme in the same way as any other Catlin Share registered in the name of the relevant seller under that trade. Consequently, those Catlin Shares will be reclassified and cancelled under the Scheme and the seller will receive the appropriate consideration in accordance with the terms of the Scheme and any valid election made by the seller.

Catlin Share Schemes

Proposals in relation to participants in Catlin Share Schemes are summarised in paragraph 13 of Part One of this Scheme Document.

Helpline

If you have any questions relating to the Mix and Match Facility, the completion and return of the Form of Election or if you did not receive a Form of Election (if you hold Catlin Shares in certificated form), please telephone the Catlin Group Limited Shareholder Helpline on 0333 300 1573 from within the UK or on + 44 333 300 1573 if calling from outside the UK. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The Catlin Group Limited Shareholder Helpline is open between 9.00 a.m. and 5.30 p.m. (London time), Monday to Friday (excluding UK public holidays). Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Scheme or the Offer, nor give any financial, legal or tax advice.

PART TEN: DEFINITIONS

Certain terms are defined in the Scheme set out in Part Four of this Scheme Document and such defined terms shall apply throughout.

“ 2014 Final Dividend ”	the final dividend declared by the Catlin Board on 9 February 2015 in respect of the year ended 31 December 2014, in an amount of 22 pence per Catlin Share, and which was paid on 19 March 2015 to Catlin Shareholders of record at the close of business on 20 February 2015;
“ affiliate ”	means, in relation to any person, any other person that directly, or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the first person, where “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies or investment decisions of a person, whether through the ownership of voting securities, by contract, as trustee, adviser, executor, or otherwise;
“ Announcement ”	the joint announcement by XL and Catlin dated 9 January 2015, of XL’s firm intention to make the Offer;
“ Authorisations ”	for the purposes of the Conditions, means authorisations, orders, grants, recognitions, determinations, confirmations, consents, licences, clearances, permissions, exemptions and approvals;
“ Barclays ”	means Barclays Bank PLC, acting through its investment bank;
“ Bermuda Insurance Act ”	the Insurance Act 1978 of Bermuda and its related regulations (as amended from time to time);
“ Bermuda Merger ”	should the acquisition of Catlin by XL be implemented, in accordance with the Implementation Agreement, by way of a merger (in lieu of the Scheme), the merging of Catlin with and into XL Sub pursuant to section 104H of the Companies Act, such that XL Sub is the surviving company;
“ Bermuda Monetary Authority ”	the Bermuda Monetary Authority, established under the Bermuda Monetary Act 1969;
“ BNY Mellon ”	The Bank of New York Mellon Corporation a New York banking corporation and any successor thereto or replacement depository in respect of the Catlin ADRs appointed by Catlin from time to time;
“ Bridge Facility ”	the bridge facility arranged by Morgan Stanley Senior Funding, Inc. and Goldman Sachs Bank USA providing for commitments to provide £1,600,000,000 of loans to XLIT Ltd, as guaranteed by XL and certain subsidiaries of XL;
“ business day ”	any day (other than a Saturday, Sunday, public or bank holiday) on which clearing banks in London, United Kingdom are generally open for normal business;
“ Bye-Laws ”	the bye-laws of Catlin, as amended from time to time (including pursuant to the special resolution to be proposed at the Special General Meeting and, if the Scheme becomes effective, pursuant to the Scheme);
“ Capita Asset Services ”	a trading name of Capita Registrars Limited;
“ Cash Election ”	in relation to a Scheme Share, an election under the Mix and Match Facility to receive 710.61 pence in cash instead of 388 pence in cash and 0.130 New XL Shares;
“ Catlin ”	Catlin Group Limited, incorporated in Bermuda with registered number 26680;
“ Catlin ADRs ”	American Depositary Receipts representing interests in Catlin Shares;

“ Catlin Board ”	the board of directors of Catlin from time to time;
“ Catlin Director ”	a director of Catlin;
“ Catlin Group ”	Catlin, its subsidiaries and subsidiary undertakings, from time to time;
“ Catlin Shares ”	the common shares of US\$0.01 each in the capital of Catlin and, where the context permits or requires, includes the uncertificated depositary interests each representing one such common share, the depositary in respect of which is Capita IRG Trustees Limited;
“ Catlin Shareholders ”	holders of Catlin Shares;
“ Catlin Share Schemes ”	each of the following share incentive schemes of Catlin: <ul style="list-style-type: none"> (i) the Catlin Group Limited Performance Share Plan adopted in Catlin’s Annual General Meeting on 9 May 2013 and amended by the Catlin Compensation Committee on 5 August 2014; (ii) the Catlin Group Limited Performance Share Plan approved by the Catlin Board on 11 March 2004, amended by the Catlin Compensation Committee on 5 December 2007, amended in Catlin’s Annual General Meeting on 14 May 2008 and amended by the Catlin Compensation Committee on 4 August 2009; (iii) the Catlin Group Limited 2014 Deferred Bonus Share Plan approved by the Catlin Board on 13 May 2014; (iv) the Catlin Group Limited Incentive Share Plan approved and adopted by the Catlin Board on 6 February 2014, amended by the Catlin Compensation Committee on 5 August 2014; (v) the Catlin Group Limited Savings-Related Share Option Scheme approved by the Catlin Shareholders on 14 May 2008, HMRC on 19 May 2008 and amended 7 August 2013 (with addendum for employee of Overseas Territories, Canada and Australia); (vi) the Catlin Group Limited US Employee Stock Purchase Plan effective 14 May 2008; and (vii) individual retention or buy-out share awards (in respect of no more than 204,192 Catlin Shares underlying such awards);
“ certificated ” or “ in certificated form ”	a Catlin Share which is not in uncertificated form (that is, not represented by a depositary interest in CREST);
“ Clearances ”	the merger control, competition and other regulatory approvals, consents, clearances, permissions and waivers referred to in the Conditions;
“ Closing Price ”	the closing middle market price of a XL Share or Catlin Share, as applicable, on a particular trading day as derived from the New York Stock Exchange for XL or the Daily Official List for Catlin;
“ Code ”	the City Code on Takeovers and Mergers (including the General Principles therein and the Appendices), as from time to time amended and interpreted by the Panel or by the Code Committee or, where the context requires, the Code Expert pursuant to the terms of the Implementation Agreement or, where the context requires, as otherwise agreed by XL, XL Sub and Catlin in writing;
“ Code Application Letter ”	a letter agreement dated 9 January 2015 entered into by XL and Catlin, pursuant to which they agreed, among other things, that, for the purpose of Rule 13.5(a) of the Code, it would be of material significance to XL in the context of the Offer, if any of the Conditions set out in paragraphs (C) (PRA approval), (D) (relating to Lloyd’s approval), (E) (Bermuda Monetary Authority approval),

	(F) (FINMA approval), (G) (Delaware Department of Insurance approval), (H) (Texas Department of Insurance approval), (I) (New York Department of Financial Services approval) (if applicable) or (M) (US Hart-Scott-Rodino clearance) is not satisfied, in each case, of Part A of Part Three of this Scheme Document;
“Code Committee”	the committee established pursuant to the Implementation Agreement, comprised of three representatives appointed by each of XL and Catlin, and which will be responsible for determining how the Code is interpreted and applied in relation to the Offer had Catlin been subject to the Code;
“Code Expert”	the independent expert appointed as such pursuant to the Implementation Agreement;
“Companies Act”	the Companies Act 1981 of Bermuda, as amended;
“Conditions”	the conditions to the Offer and to the implementation of the Scheme set out in full in Part Three of this Scheme Document;
“Confidentiality Agreement”	the non-disclosure undertaking entered into by Catlin and XL on 16 July 2013;
“Court”	the Supreme Court of Bermuda;
“Court Hearing”	the hearing at which Catlin seeks an order sanctioning the Scheme;
“Court Meeting”	the meeting of Scheme Shareholders (and any adjournment thereof) convened pursuant to an order of the Court pursuant to section 99(1) of the Companies Act, to consider and, if thought fit, approve (with or without modification) the Scheme;
“CREST”	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the Regulations;
“CREST Applications Host”	as defined in the CREST Manual;
“CREST Manual”	the manual setting out CREST procedures, limitations and system timings, which is available at www.euroclear.com/CREST ;
“CREST Message”	as defined in the CREST Manual;
“Daily Official List”	the Daily Official List of the FCA;
“Dealing Disclosure”	an announcement pursuant to Rule 8 of the Code containing details of dealings in interests in relevant securities of a party to an offer;
“Depository”	Capita IRG Trustees Limited;
“disclosure period”	the period commencing on 17 December 2013 (being the date 12 months prior to the commencement of the offer period) and ending on 31 March 2015 (being the latest practicable date before the date of this Scheme Document);
“Effective Date”	the date on which the Scheme becomes effective in accordance with its terms;
“Election Return Time”	the time and date by which elections under the Mix and Match Facility must be returned with Catlin’s registrar and receiving agent, Capita Asset Services, in order to be valid, which is currently expected to be 1.00 p.m. (London time) on 28 April 2015, or such later time and date as Catlin may determine and announce through a Regulatory Information Service;
“Enlarged XL Group”	the XL Group as enlarged by the Catlin Group following the Effective Date;
“EPS”	earnings per share;
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST;
“Evercore”	Evercore Partners International LLP;

“Fairly Disclosed”	denotes the information (i) fairly disclosed prior to the date of the Announcement by or on behalf of Catlin to XL or XL’s financial, accounting, tax or legal advisers (specifically as XL’s advisers in relation to the Offer); (ii) disclosed in Catlin’s annual and/or half year report and audited accounts for the relevant financial period or periods referred to in the relevant Condition and published prior to the date of the Announcement; (iii) disclosed in any public announcement made in accordance with the UK Disclosure Rules and Transparency Rules by Catlin prior to the date of the Announcement; or (iv) disclosed in the Announcement;
“FCA”	the UK Financial Conduct Authority;
“FINMA”	the Swiss Financial Market Supervisory Authority;
“Form of Election”	the GREEN form of election for use by holders of Catlin Shares in certificated form in relation to the Mix and Match Facility;
“Forms of Direction”	either or both (as the context permits or requires) of the PINK form of direction for use by holders of Catlin Shares in uncertificated form in relation to the Court Meeting and the YELLOW form of direction for use by holders of Catlin Shares in uncertificated form in relation to the Special General Meeting;
“Forms of Proxy”	either or both (as the context demands) of the BLUE form of proxy for use by holders of Catlin Shares in certificated form in relation to the Court Meeting and the WHITE form of proxy for use by holders of Catlin Shares in certificated form in relation to the Special General Meeting;
“FSMA”	the Financial Services and Markets Act 2000, as amended;
“HMRC”	means HM Revenue & Customs;
“Implementation Agreement”	the agreement among XL, XL Sub and Catlin dated 9 January 2015, in relation to the implementation of the Offer;
“ITB”	Box Innovation Group Limited (which trades as “insurebox”);
“ITB Special Dividend”	the special dividend declared by the Catlin Board out of the distributable surplus from the sale of ITB of 11.7 pence per Catlin Share, payable on 24 April 2015 to shareholders of record at close of business on 10 April 2015;
“J.P. Morgan Cazenove”	J.P. Morgan Limited (which conducts its UK investment banking business as “J.P. Morgan Cazenove”);
“Listing Rules”	the listing rules made under FSMA by the UKLA and contained in the UKLA’s publication of the same name, as amended from time to time;
“Lloyd’s”	the Society and Corporation of Lloyd’s created and governed by the Lloyd’s Act 1871 to 1982, including the Council of Lloyd’s (and its delegates and other persons through whom the Council may act), as the context may require;
“London Stock Exchange”	London Stock Exchange plc;
“Long Stop Date”	9 October 2015, or such later date as XL and Catlin may agree and the Court may allow;
“Merger Agreement”	the conditional agreement effecting the merger of XL Sub and Catlin pursuant to section 104H of the Companies Act entered into on 9 January 2015 among XL, XL Sub and Catlin;
“Morgan Stanley”	Morgan Stanley & Co. International plc;

“Mix and Match Facility”	the facility provided for in the Scheme, pursuant to which a Scheme Shareholder may elect, subject to elections of other Scheme Shareholders, to receive more cash or more New XL Shares in respect of some or all of his Scheme Shares than he would receive absent such an election;
“New XL Shares”	the new XL Shares, each of US\$0.01 par value, to be issued to Scheme Shareholders pursuant to the Scheme;
“Offer”	the recommended offer made by XL to acquire the entire issued and to be issued ordinary share capital of Catlin, to be effected by the Scheme as described in this Scheme Document (or by the Takeover Offer under certain circumstances described in this Scheme Document) and, where the context admits, any subsequent revision, variation, extension or renewal thereof;
“offer period”	the period which commenced on 17 December 2014 and ending on the earlier of the date on which it is announced that the Scheme has become effective and/or the date on which it is announced that the Offer has lapsed or has been withdrawn (or such other date as the Code (as applied through Catlin’s Bye-Laws) may provide);
“Official List”	the official list maintained by the FCA pursuant to section 74 of the FSMA;
“Opening Position Disclosure”	an announcement containing details of interests or short positions in, or rights to subscribe for, any relevant securities of a party to the offer if the person concerned has such a position, as defined in Rule 8 of the Code;
“Operating Net Income”	net income (loss) attributable to ordinary shareholders excluding: (1) net investment income - Life Funds Withheld Assets, net of tax, (2) net realized (gains) losses on investments sold, net of tax, (3) net realized (gains) losses on investments and net unrealized (gains) losses on investments, Trading - Life Funds Withheld Assets, (4) net realized and unrealized (gains) losses on derivatives, net of tax, (5) net realized and unrealized (gains) losses on life retrocession embedded derivative and derivative instruments - Life Funds Withheld Assets, (6) the share of items (2) and (4) for XL’s insurance company affiliates for the periods presented, (7) loss on sale of life reinsurance subsidiary, XLLR, net of tax, and, (8) foreign exchange (gains) losses, net of tax. “Operating net income”, “operating return on average ordinary shareholders’ equity” and “operating return on average ordinary shareholders equity excluding unrealized gains and losses on investments” are non-US GAAP financial measures;
“Ordinary Shareholders’ Equity”	total shareholders’ equity less non-controlling interest in equity of consolidated subsidiaries;
“Overseas Shareholder”	a holder of Scheme Shares with a registered address in a jurisdiction outside the UK, the US, the Republic of Ireland or Bermuda, or whom Catlin or XL reasonably believes to be resident or incorporated in, or a citizen of, a jurisdiction outside the UK, the US, the Republic of Ireland or Bermuda;
“Panel”	The Panel on Takeovers and Mergers;
“Personnel”	in relation to any person, its board of directors or executive officers, members of their immediate families, related trusts and persons connected with them;
“Phase 2 CMA reference”	has the meaning given in the Definitions section of the Introduction to the Code;
“Phase 2 European Commission proceedings”	has the meaning given in the Definitions section of the Introduction to the Code;

“Possible Offer Announcement”	the announcement issued by Catlin on 17 December 2014 confirming the approach made by XL to Catlin in connection with the Offer, which commenced the offer period;
“PRA” or “Prudential Regulation Authority”	the UK Prudential Regulation Authority or its successor from time to time;
“Reduction of Capital”	the proposed reduction of share capital of Catlin pursuant to the Scheme;
“Registrar of Companies”	the registrar of companies in Bermuda;
“Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended;
“Regulatory Information Service” ...	a person approved as a primary information provider by the FCA under section 89P of FSMA;
“Restricted Jurisdiction”	any jurisdiction (other than the UK, the US, the Republic of Ireland and Bermuda) where the relevant action would or may infringe the laws of such jurisdiction or would or may require either Catlin or XL to obtain or comply with any governmental or other consent or any registration, filing or other formality with which either Catlin or XL is unable to obtain or comply with, or which either Catlin or XL regards as unduly onerous to obtain or comply with;
“ROE”	return on equity, a profitability ratio measuring a company’s ability to generate returns for its shareholders;
“Scheme” or “Scheme of Arrangement”	the proposed scheme of arrangement under section 99 of the Companies Act between Catlin and the holders of the Scheme Shares to implement the Offer, as set out in Part Four of this Scheme Document, with or subject to any modification, addition or condition approved or imposed by the Court and agreed between Catlin and XL;
“Scheme Document”	this circular dated 2 April 2015;
“Scheme Record Time”	the time and date by reference to which the entitlements of Scheme Shareholders under the Scheme will be determined, being 6.00 p.m. (London time) on 30 April 2015 or such later time and date as Catlin may determine and announce through a Regulatory Information Service;
“Scheme Shareholders”	the registered holders of Scheme Shares;
“Scheme Shares”	the Catlin Shares: <ul style="list-style-type: none"> (i) in issue at the date of this Scheme; (ii) (if any) issued after the date of this Scheme and before the Voting Record Time; and (iii) (if any) issued at or after the Voting Record Time and before the Scheme Record Time in respect of which the original or any subsequent holder thereof shall be bound by this Scheme or shall by such time have agreed in writing to be bound by this Scheme, and (in each case) remaining in issue at the Scheme Record Time but excluding any and all Excluded Shares, and including the A Shares, B Shares, C Shares and D Shares resulting from the reclassification (or subdivision and reclassification) of such Common Shares;
“SEC”	the US Securities and Exchange Commission;
“Share Election”	in relation to a Scheme Share, an election under the Mix and Match Facility to receive 0.28635 New XL Shares instead of 388 pence in cash and 0.130 New XL Shares;

“Significant Interest”	in relation to an undertaking, a direct or indirect interest of 20 per cent. or more of the total voting rights conferred by the equity share capital (as defined in section 548 of the United Kingdom Companies Act 2006) of such undertaking;
“Solvency II”	the European Parliament and Council Directive (2009/138/EC) (as subsequently amended by the Omnibus II Directive (2014/51/EU)) which sets out the framework for a new solvency and supervisory regime for insurers and reinsurers in the European Union;
“Special General Meeting”	the special general meeting of Catlin convened by the notice set out in Part Twelve of this Scheme Document, including any adjournment thereof;
“Standards”	the rules issued by the London Stock Exchange in relation to the admission to trading of, and continuing requirements for, securities admitted to the Official List;
“Subordinated Notes”	the US\$500 million aggregate principal amount of 4.45% subordinated notes due 2025 and US\$500 million aggregate principal amount of 5.5% subordinated notes due 2045 issued by XLIT Ltd., a wholly owned subsidiary of XL on 30 March 2015;
“subsidiary”	has the meaning given in section 1159 of the (United Kingdom) Companies Act 2006;
“subsidiary undertaking”	has the meaning given in section 1162 of the (United Kingdom) Companies Act 2006;
“Takeover Offer”	should XL elect to effect the Offer by way of a takeover offer (in lieu of the Scheme), the offer to be made by or on behalf of XL and, where the context so requires, any subsequent revision, variation, extension or renewal of such offer;
“Third Party”	means a central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, self-regulatory, quasi-regulatory or private body exercising any regulations, taxing or other governmental or quasi-governmental professional, or investigative body or authority (including any anti-trust or merger control authority), stock exchange or listing authority, court, trade agency, professional association, institution, works council, employee representative body or any other body or person whatsoever in any jurisdiction;
“TTE Instruction”	a transfer to escrow made via CREST in respect of the Mix and Match Facility by a holder of Catlin Shares in uncertificated form, in accordance with the procedure detailed in Part Nine of this Scheme Document;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“UKLA”	the Financial Conduct Authority in its capacity as the authority for listing in the United Kingdom;
“uncertificated” or “in uncertificated form”	a share or other security recorded on the relevant register as being held in uncertificated form in CREST and title to which, by virtue of the Regulations, may be transferred by means of CREST. Catlin Shares “in uncertificated form” are depositary interests, each of which represents the beneficial interest in one underlying Catlin Share;
“US”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;
“US Exchange Act”	the US Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;
“US Securities Act”	the US Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder;

“VAT”	Means UK value added tax as provided for in the Value Added Tax Act 1994 and any other tax of a similar nature;
“Voting Record Time”	the time and date by reference to which the right of Catlin Shareholders to attend and vote at the Court Meeting and Special General Meeting will be determined, being 6.00 p.m. (London time) on 17 April 2015 or, if the Court Meeting or Special General Meeting is adjourned, 6.00 p.m. (London time) on the day that is two business days before the date fixed for the holding of the relevant adjourned meeting;
“Wider Catlin Group”	Catlin Group and associated undertakings and any other body corporate, partnership, joint venture or person in which any member of the Catlin Group and such undertakings (aggregating their interests) have a Significant Interest;
“Wider XL Group”	XL and associated undertakings and any other body corporate, partnership, joint venture or person in which XL and all such undertakings (aggregating their interests) have a Significant Interest;
“XL”	XL Group plc, incorporated in the Republic of Ireland with registered number 482042;
“XL Board”	the board of directors of XL from time to time;
“XL Director”	a director of XL;
“XL Group”	XL, its subsidiaries and subsidiary undertakings, from time to time;
“XL’s Irish Prospectus”	the document dated on or about the same date as this Scheme Document comprising a prospectus relating to the Enlarged XL Group and the New XL Shares, prepared and published by XL in accordance with applicable law and regulation in the Republic of Ireland and constituting an approved prospectus in the United Kingdom for the purpose of section 85 of the FSMA;
“XL Officers”	Michael S. McGavick (Chief Executive Officer), Peter R. Porrino (Executive Vice President and Chief Financial Officer) and Kirstin Gould (Executive Vice President, General Counsel and Secretary) as at the date of this Scheme Document; and
“XL Sub”	Green Holdings Limited, an exempted company incorporated under the laws of Bermuda with registered number 49880 and with its registered address at Crawford House, 50 Cedar Avenue, Hamilton HM11, Bermuda.

PART ELEVEN: NOTICE OF COURT MEETING

IN THE SUPREME COURT OF BERMUDA
CIVIL JURISDICTION
COMMERCIAL COURT
2015: No. 89

IN THE MATTER OF CATLIN GROUP LIMITED
and
IN THE MATTER OF SECTION 99 OF THE COMPANIES ACT 1981
NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that, by an order dated 17 March 2015 made in the above matter, the Court has directed a meeting to be convened of the holders of Scheme Shares (as defined in the scheme of arrangement referred to below) for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement in the form of the Scheme of Arrangement at Part Four of the document of which this notice forms part (in its present form or with or subject to any modification, addition or condition agreed by XL and Catlin and approved or imposed by the Court), proposed to be made between Catlin Group Limited (the “**Company**”) and the holders of the Scheme Shares (the “**Scheme**”) and that such meeting will be held at 5th Floor, Washington House, 16 Church Street, Hamilton HM11, Bermuda on 21 April 2015 at 11.00 a.m. (Bermuda time), at which place and time all holders of Scheme Shares are requested to attend in person or by proxy duly appointed.

A copy of the Scheme and a copy of the explanatory statement required to be furnished pursuant to section 100 of the Companies Act 1981 (as amended) are incorporated in the document of which this notice forms part.

Holders of Scheme Shares may vote in person at the meeting or they may appoint another person as their proxy to attend, speak and vote in their stead. A proxy need not be a member of the Company but must attend the meeting. A holder of Scheme Shares may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that holder. A BLUE form of proxy for use at the meeting is enclosed with this notice. Completion and return of a Form of Proxy will not preclude a holder of Scheme Shares from attending and voting in person at the meeting, or any adjournment thereof.

In the case of joint holders of Scheme Shares, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s) and, for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.

It is requested that BLUE forms of proxy (together with any power of attorney or other authority under which they are signed, or a notarially certified copy of such power of attorney) be returned to the Company’s registrar and receiving agent, Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom, by post, courier or hand, in accordance with the instructions printed thereon, so as to be received by 6.00 p.m. (London time) on 17 April 2015 or, if the meeting is adjourned, by 6.00 p.m. (London time) on the day that is two business days before the date fixed for the holding of the adjourned meeting. If forms of proxy are not so returned, they may be handed to Capita or to the chairman of the meeting at or before the start of the meeting.

Entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the register of members of the Company at 6.00 p.m. (London time) on 17 April 2015 or, if the meeting is adjourned, 6.00 p.m. (London time) on the day that is two business days before the date fixed for the holding of the adjourned meeting.

By the said order, the Court has appointed Mr. John Barton or, failing him, Mr. Stephen Catlin or, failing him, Mr. Benjamin Meuli to act as chairman of the meeting and has directed the chairman to report the result of the meeting to the Court.

The Scheme will be subject to the subsequent approval of the Court.

Dated 2 April 2015

Appleby (Bermuda) Limited
Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

Slaughter and May
One Bunhill Row
London EC1Y 8YY
United Kingdom

Attorneys to the Company as to Bermuda law

Solicitors to the Company as to English law

Notes:

1. Holders of Catlin Common Shares

Only registered holders of the Company's common shares, each of US\$0.01 par value, are entitled to attend and vote at this meeting. A member entitled to attend and vote may appoint a proxy who need not be a member of the Company to attend and vote at the meeting instead of the shareholder. You can only appoint a proxy using the procedures set out in these notes and the notes to the BLUE Form of Proxy. Forms of Proxy need to be completed, signed and returned (together with the original or notarised, certified copy of any power of attorney or other power under which it is executed) to the Company's receiving agent, Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom, by 6.00 p.m. (London time) on 17 April 2015 or, if the meeting is adjourned, by 6.00 p.m. (London time) on the day that is two business days before the date fixed for the holding of the adjourned meeting. Completion of a BLUE Form of Proxy will not preclude a member attending and voting in person at the meeting.

2. Holders of Catlin Depository Interests

Holders of the depository interests, each representing one of the Company's common shares of US\$0.01 par value, wishing to attend this meeting should contact Capita IRG Trustees Limited (the "Depository") at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom or email custodymgt@capita.co.uk to request a letter of representation no later than 6.00 p.m. (London time) on 16 April 2015. Alternatively, holders of depository interests may complete the PINK Form of Direction to instruct the Depository to vote the common shares underlying your depository interests on your behalf at the meeting, either in person or by proxy. If you wish to instruct the Depository (other than electronically using CREST), you must return the completed PINK Form of Direction (together with the original or notarially certified copy of any power of attorney or other power under which it is executed) to Catlin's registrar and receiving agent, Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom by 6.00 p.m. (London time) on 16 April 2015 or, if the meeting is adjourned, by 6.00 p.m. (London time) on the day that is three business days before the date fixed for the holding of the adjourned meeting. Alternatively, holders of depository interests may instruct the Depository how to vote by utilising the CREST electronic voting service. To instruct the Depository how to vote or to amend a voting instruction via the CREST system, the CREST message must be received by the Company's registrar and receiving agent, Capita Asset Services (CREST Participant ID: RA10), by 6.00 p.m. (London time) on 16 April 2015 or, if the meeting is adjourned, by 6.00 p.m. (London time) on the day that is three business days before the date fixed for the holding of the adjourned meeting. In order for the instructions to the Depository made by means of CREST to be valid, the appropriate CREST message must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST manual. 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. CREST personal members or other CREST sponsored members, and those CREST members who have appointed voting service provider(s), should contact their CREST sponsor or voting service provider(s) for assistance. For further information on CREST procedures, limitations and system timings, please refer to the CREST Manual, which is available from www.euroclear.com/CREST.

3. Right to attend and vote

To have the right to attend and vote at the meeting (and also for the purpose of calculating how many votes a person entitled to attend and vote may cast), a person must be entered on the Company's register of members by 6.00 p.m. (London time) on 17 April 2015 or, if the meeting is adjourned, by 6.00 p.m. (London time) on the day that is two business days before the date fixed for the holding of the adjourned meeting. Changes to the register after this time shall be disregarded in determining the rights of any person to attend or vote at the meeting. A corporation which is a shareholder may, by written authorisation, appoint one or more corporate representatives who may exercise on its behalf, all its powers as a shareholder, provided that no more than one corporate representative exercises powers over the same shares. Any written authorisation (together with the original or notarised, certified copy of any power of attorney or other power under which it is executed) must be returned to the Company's registrar and receiving agent, Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom, by 6.00 p.m. (London time) on 17 April 2015 or, if the meeting is adjourned, by 6.00 p.m. (London time) on the day that is two business days before the date fixed for the holding of the adjourned meeting.

PART TWELVE: NOTICE OF SPECIAL GENERAL MEETING

CATLIN GROUP LIMITED

Notice is hereby given that a special general meeting of Catlin Group Limited (the “**Company**”) will be held at 5th Floor, Washington House, 16 Church Street, Hamilton HM11, Bermuda on 21 April 2015 at 11.15 a.m. (Bermuda time) (or as soon thereafter as the meeting of the holders of Scheme Shares (as defined in the Scheme as referred to in the special resolution set out below) convened for 11.00 a.m. (Bermuda time) on the same day and at the same place, by an order of the Supreme Court of Bermuda, shall have concluded or been adjourned) for the purpose of considering and, if thought fit, passing the following resolution, which will be proposed as a special resolution.

SPECIAL RESOLUTION

THAT, for the purpose of giving effect to the scheme of arrangement dated 2 April 2015 between the Company and the holders of Scheme Shares (as defined in the said scheme of arrangement), a printed copy of which has been produced to this meeting and for the purposes of identification has been signed by the Chairman of this meeting, in its original form or subject to any modification, addition or condition agreed by the Company and XL Group plc (“**XL**”) and approved or imposed by the Court (the “**Scheme**”):

- (i) the directors of the Company (or a duly authorised committee thereof) be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect;
- (ii) the Scheme Shares (as defined in the Scheme) be reclassified (or subdivided and reclassified) into A Shares, B Shares, C Shares and D Shares in accordance with the terms of the Scheme;
- (iii) subject only to the reclassifications (or subdivisions and reclassifications) referred to in (ii) above having taken effect, the existing share capital of the Company be reduced by cancelling and extinguishing all of the A Shares, B Shares, C Shares and D Shares, in accordance with the terms of the Scheme;
- (iv) simultaneously but contingently on such reduction of capital taking place and notwithstanding anything to the contrary in the Bye-Laws of the Company, the reserve arising in the books of account of the Company as a result of the cancellation of the A Shares, B Shares, C Shares and D Shares be capitalised and applied in paying up in full at par such number of new common shares of 1 cent each as shall have an aggregate nominal value equal to the number of A Shares, B Shares, C Shares and D Shares cancelled and extinguished as aforesaid with each new common share having the rights set out in the Company’s Bye-Laws, which new common shares shall be allotted and issued credited as fully paid to XL and/or its nominee(s) in accordance with the terms of the Scheme;
- (v) the directors of the Company be generally and unconditionally authorised for the purposes of Bye-Law 5.2 of the Company’s Bye-Laws to give effect to this resolution and accordingly to effect the allotment of the new common shares referred to in (iv) above, provided that (a) this authority shall expire on the fifth anniversary of the date of this resolution, (b) the maximum aggregate nominal amount of shares which may be allotted hereunder shall be the aggregate nominal amount of the said new ordinary shares referred to in (iv) above, and (c) this authority shall be without prejudice and in addition to any other authority under the said Bye-Law 5.2 of the Company’s Bye-Laws previously granted before, and in force on, the date on which this resolution is passed;
- (vi) with effect from the passing of this resolution, the Bye-Laws of the Company be and are hereby amended by the adoption and inclusion of the following new Bye-Law 59:

“59 SCHEME OF ARRANGEMENT

59.1 In this Bye-Law 59, the “**Scheme**” means the scheme of arrangement dated 2 April 2015 between the Company and the holders of the Scheme Shares (as defined in the scheme of arrangement) under section 99 of the Companies Act of 1981 (as amended) in its original form or with or subject to any modification, addition or condition approved or imposed by the Supreme Court of Bermuda and agreed by the Company and XL Group plc (“**XL**”) and (save as defined in this Bye-Law) expressions defined in the Scheme shall have the same meanings in this Bye-Law.

- 59.2 Notwithstanding any other provision of these Bye-Laws, if the Company issues any Common Shares after the adoption of this Bye-Law and before the Scheme Record Time, such shares shall be issued subject to the terms of the Scheme (and shall, unless they are Excluded Shares, be Scheme Shares for the purposes thereof) and the holders of such shares shall be bound by the Scheme accordingly.
- 59.3 Subject to the Scheme becoming effective, if any Common Shares are issued to any person (a “**New Member**”) (other than to XL or any of its subsidiary undertakings or associated undertakings or any of their respective nominees) at or after the Scheme Record Time (the “**Post-Scheme Shares**”), such Post-Scheme Shares shall be immediately transferred to XL (or as it may direct), provided that such transfer shall not take place on the Effective Date, in consideration of (subject as hereinafter provided) the allotment and issue or transfer (free from any and all encumbrances and third party rights) to the New Member of such number of new ordinary shares of 1 cent each in the share capital of XL (the “**Consideration Shares**”), and the payment of such cash consideration, as that New Member would have been entitled to receive had each Post-Scheme Share been a Scheme Share in respect of which no election under the Mix and Match Facility had been made, provided that:
- 59.3.1 if, in respect of any New Member (save for any New Member falling within Bye-Law 59.3.2 below) with a registered address in a jurisdiction outside the United Kingdom, the United States of America, its territories and possessions, any State of the United States and the District of Columbia (together, the “**United States of America**”), the Republic of Ireland or Bermuda, or whom XL reasonably believes to be a citizen, resident or national of a jurisdiction outside the United Kingdom, the United States, the Republic of Ireland or Bermuda, XL is advised that the allotment and/or issue or transfer of Consideration Shares pursuant to this Bye-Law would or may infringe the laws of such jurisdiction outside the United Kingdom, the United States, the Republic of Ireland or Bermuda or would or may require XL to obtain or comply with any governmental or other consent or any registration, filing or other formality with which XL is unable to obtain or comply with or which XL regards as unduly onerous to obtain or comply with, XL may, in its sole discretion, determine that such Consideration Shares shall be sold, in which event XL shall appoint a person to act pursuant to this Bye-Law and such person shall be authorised on behalf of such New Member to procure that any shares in respect of which XL has made such determination shall, as soon as practicable following the allotment, issue or transfer of such shares, be sold and the net proceeds of the sale (after the deduction of all expenses and commissions incurred in connection with such sale) shall be distributed to the person(s) entitled thereto; and
- 59.3.2 in respect of any New Member being a body corporate that would be prohibited under section 32 of the Republic of Ireland Companies Act 1963 (as amended) from being a shareholder of XL (a “**Restricted Person**”), provided that any such body corporate will only be a Restricted Person to the extent of such prohibition, the provisions of Bye-Law 59.3.1 shall apply (with the necessary modifications).
- 59.4 The Consideration Shares allotted and issued, or transferred, pursuant to Bye-Law 59.3 shall be credited as fully paid and shall rank *pari passu* in all respects with each other and with all other ordinary shares in the share capital of XL in issue at that time (in the case of Consideration Shares allotted and issued, other than as regards any dividend or other distribution payable by reference to a record date preceding the date of allotment) and shall be subject to the articles of association of XL.
- 59.5 The number of Consideration Shares to be allotted and issued, or transferred, pursuant to Bye-Law 59.3 shall be adjusted in such manner as the board of directors of the Company may determine, on any reorganisation of or material alteration to the share capital of either the Company or XL effected on or after the Effective Date, so as to put the New Member into the same position it would have been in but for such reorganisation of or material alteration to the share capital of either the Company or XL.

- 59.6 No fraction of a Consideration Share shall be allotted and issued, or transferred, to a New Member pursuant to Bye-Law 59.3 and the entitlement of each New Member who would, but for this Bye-Law 59.6, have been entitled to a fraction of a Consideration Share shall be rounded down to the nearest whole number of Consideration Shares. Any and all such fractions of Consideration Shares to which New Members would, but for this Bye-Law 59.6, have been entitled, shall be aggregated and rounded down to the nearest whole number of New XL Shares, allotted and issued to a person appointed by XL, and sold in the market as soon as practicable and the net proceeds of such sale (after the deduction of all expenses and commissions, including any amounts in respect of value added tax payable thereon) shall be paid to the holder(s) entitled thereto in due proportions, rounded down to the nearest whole penny.
- 59.7 To give effect to any transfer of Post-Scheme Shares, the Company may appoint any person as agent for the New Member to transfer the Post-Scheme Shares to XL and do all such other things and execute and deliver all such documents as may in the opinion of the agent be necessary or desirable to vest the Post-Scheme Shares in XL or its nominee(s) and pending such vesting to exercise all such rights attaching to the Post-Scheme Shares as XL may direct. If an agent is so appointed, the New Member shall not thereafter (except to the extent that the agent fails to act in accordance with the directions of XL) be entitled to exercise any rights attaching to the Post-Scheme Shares unless so agreed by XL. The agent shall be empowered to execute and deliver as transferor a form of transfer or other instrument or instruction of transfer on behalf of the New Member (or any subsequent holder) in favour of XL or its nominee(s) and the Company may give a good receipt for the consideration for the Post-Scheme Shares and may register XL as holder thereof and issue to it certificates for the same. The Company shall not be obliged to issue a certificate to the New Member for the Post-Scheme Shares. XL shall, subject to Bye-Laws 59.3.1 and 59.3.2, allot and issue or transfer the Consideration Shares to the New Member within five Business Days of the issue of the Post-Scheme Shares to the New Member.
- 59.8 To give effect to any sale of Consideration Shares under Bye-Law 59.3.1, XL may appoint any person as agent or nominee for the New Member to sell the Consideration Shares and, on behalf of any New Member, such agent or nominee shall be authorised, to execute and deliver as transferor a form of transfer or other instrument or instruction of transfer and to give such instructions and to do all other things which he may consider necessary or expedient in connection with such sale.
- 59.9 Notwithstanding any other provision of these Bye-Laws, neither the Company nor the Directors shall register the transfer of any Scheme Shares effected between the Scheme Record Time and the Effective Date.”; and
- (vii) subject to the Scheme becoming effective, the Bye-Laws of the Company be amended in accordance with the terms of the Scheme.

Dated 2 April 2015

By Order of the Board
Daniel Primer
Company Secretary

Registered Office:
Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Notes:

1. Holders of Catlin Common Shares

Only registered holders of the Company's common shares, each of US\$0.01 par value, are entitled to attend and vote at this special general meeting. A member entitled to attend and vote may appoint a proxy who need not be a member of the Company to attend and vote at the special general meeting instead of the shareholder. You can only appoint a proxy using the procedures set out in these notes and the notes to the WHITE Form of Proxy. Forms of Proxy need to be completed, signed and returned (together with the original or notarised, certified copy of any power of attorney or other power under which it is executed) to the Company's receiving agent, Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom, by 6.00 p.m. (London time) on 17 April 2015 or, if the special general meeting is adjourned, by 6.00 p.m. (London time) on the day that is two business days before the date fixed for the holding of the adjourned meeting. Completion of a WHITE Form of Proxy will not preclude a member attending and voting in person at the special general meeting.

2. Holders of Catlin Depositary Interests

Holders of the depositary interests, each representing one of the Company's common shares of US\$0.01 par value, wishing to attend this meeting should contact Capita IRG Trustees Limited (the "Depositary") at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom or email custodymgt@capita.co.uk to request a letter of representation no later than 6.00 p.m. (London time) on 16 April 2015. Alternatively, holders of depositary interests may complete the PINK Form of Direction to instruct the Depositary to vote the common shares underlying your depositary interests on your behalf at the special general meeting, either in person or by proxy. If you wish to instruct the Depositary (other than electronically using CREST), you must return the completed YELLOW Form of Direction (together with the original or notarially certified copy of any power of attorney or other power under which it is executed) to Catlin's registrar and receiving agent, Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom by 6.00 p.m. (London time) on 16 April 2015 or, if the special general meeting is adjourned, by 6.00 p.m. (London time) on the day that is three business days before the date fixed for the holding of the adjourned meeting. Alternatively, holders of depositary interests may instruct the Depositary how to vote by utilising the CREST electronic voting service. To instruct the Depositary how to vote or to amend a voting instruction via the CREST system, the CREST message must be received by the Company's registrar and receiving agent, Capita Asset Services (CREST Participant ID: RA10), by 6.00 p.m. (London time) on 16 April 2015 or, if the special general meeting is adjourned, by 6.00 p.m. (London time) on the day that is three business days before the date fixed for the holding of the adjourned meeting. In order for the instructions to the Depositary made by means of CREST to be valid, the appropriate CREST message must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST manual. 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. CREST personal members or other CREST sponsored members, and those CREST members who have appointed voting service provider(s), should contact their CREST sponsor or voting service provider(s) for assistance. For further information on CREST procedures, limitations and system timings, please refer to the CREST Manual, which is available from www.euroclear.com/CREST.

3. Right to attend and vote

To have the right to attend and vote at the special general meeting (and also for the purpose of calculating how many votes a person entitled to attend and vote may cast), a person must be entered on the Company's register of members by 6.00 p.m. (London time) on 17 April 2015 or, if the special general meeting is adjourned, by 6.00 p.m. (London time) on the day that is two business days before the date fixed for the holding of the adjourned meeting. Changes to the register after this time shall be disregarded in determining the rights of any person to attend or vote at the special general meeting. A corporation which is a shareholder may, by written authorisation, appoint one or more corporate representatives who may exercise on its behalf, all its powers as a shareholder, provided that no more than one corporate representative exercises

powers over the same shares. Any written authorisation (together with the original or notarised, certified copy of any power of attorney or other power under which it is executed) must be returned to the Company's registrar and receiving agent, Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom, by 6.00 p.m. (London time) on 17 April 2015 or, if the special general meeting is adjourned, by 6.00 p.m. (London time) on the day that is two business days before the date fixed for the holding of the adjourned meeting.

**APPENDIX 1:
LIST OF RELEVANT TERRITORIES FOR
THE PURPOSES OF IRISH DIVIDEND
WITHHOLDING TAX**

- | | |
|-------------------------|--------------------------|
| 1. Albania | 37. Luxembourg |
| 2. Armenia | 38. Macedonia |
| 3. Australia | 39. Malaysia |
| 4. Austria | 40. Malta |
| 5. Bahrain | 41. Mexico |
| 6. Belarus | 42. Moldova |
| 7. Belgium | 43. Montenegro |
| 8. Bosnia & Herzegovina | 44. Morocco |
| 9. Botswana | 45. Netherlands |
| 10. Bulgaria | 46. New Zealand |
| 11. Canada | 47. Norway |
| 12. Chile | 48. Pakistan |
| 13. China | 49. Panama |
| 14. Croatia | 50. Poland |
| 15. Cyprus | 51. Portugal |
| 16. Czech Republic | 52. Qatar |
| 17. Denmark | 53. Romania |
| 18. Egypt | 54. Russia |
| 19. Estonia | 55. Saudi Arabia |
| 20. Ethiopia | 56. Serbia |
| 21. Finland | 57. Singapore |
| 22. France | 58. Slovak Republic |
| 23. Georgia | 59. Slovenia |
| 24. Germany | 60. South Africa |
| 25. Greece | 61. Spain |
| 26. Hong Kong | 62. Sweden |
| 27. Hungary | 63. Switzerland |
| 28. Iceland | 64. Thailand |
| 29. India | 65. Turkey |
| 30. Israel | 66. Ukraine |
| 31. Italy | 67. United Arab Emirates |
| 32. Japan | 68. United Kingdom |
| 33. Korea | 69. USA |
| 34. Kuwait | 70. Uzbekistan |
| 35. Latvia | 71. Vietnam |
| 36. Lithuania | 72. Zambia |

**APPENDIX 2:
TERMS AND CONDITIONS OF THE XL SPONSORED NOMINEE ARRANGEMENT**

The following are the terms and conditions on which Computershare Investor Services PLC (“Computershare”) will provide the XL Nominee Account for XL Depository Interests (also known as XL DIs) held on your behalf by the Computershare Nominee.

Computershare will not provide you with investment, taxation or legal advice. If you require any such advice or assistance concerning the XL Nominee Account, the acquisition or disposal of XL DIs or your tax liability you should seek independent professional advice.

The XL Nominee Account is available only to individuals being natural persons over the age of 18, resident in Ireland, the United Kingdom and the other Permitted Countries and is not offered to persons resident outside Ireland, the United Kingdom and the other Permitted Countries. Where these terms and conditions have been received in a country where the provision of the XL Nominee Account would be contrary to local laws or regulations, these terms and conditions should be treated as being for information purposes only. You may not participate in the XL Nominee Account if you hold any XL DIs in your own name.

Please read these terms and conditions carefully. They explain the relationship between you and us with respect to the XL DIs. On the XL DIs being issued to the Computershare Nominee to hold on your behalf, these terms and conditions will constitute a legally binding agreement between you and us. If there is anything in them which you do not understand, please contact us or seek professional advice. Our contact details are listed in clauses 11.2 and 11.3.

These terms and conditions do not constitute a recommendation to buy, sell, transfer or hold XL DIs. The decision to buy, sell, transfer or hold XL DIs will be solely your responsibility. Share prices may go down as well as up and, as such, are a risk investment which may result in you not receiving back the full amount invested.

These terms and conditions are dated 2 April 2015 and they can change from time to time on providing you with prior notice in accordance with clause 11.1. You can obtain an up-to-date version by calling Computershare. Our contact details are listed in clauses 11.2 and 11.3.

1 Definitions and interpretation

1.1 The following words and phrases used in these terms and conditions have the meanings set out below:-

“Act 2012” means the UK Financial Services Act 2012, as amended or replaced, and any regulations made thereunder;

“Book-Entry Form” means a system that allows shares to be recorded electronically, without the issue of a paper share certificate to evidence ownership;

“business day” means any day (excluding Saturday) on which banks in the United Kingdom are generally open for non-automated business;

“Cancellation Period” has the meaning given to it in clause 9.1;

“Computershare” or “us” or “we” means Computershare Investor Services PLC;

“Computershare Nominee” means such affiliate company of Computershare as Computershare may nominate from time to time to provide the XL Nominee Account, which shall be a member of CREST, and whose business shall consist solely of acting as a nominee holder of shares or other securities on behalf of other persons; this company shall initially be Computershare Company Nominees Limited;

“CREST” means Euroclear UK & Ireland Limited;

“CREST System” means the computer based system operated by CREST for the transfer of uncertificated securities;

“DTC” means the system operated by The Depository Trust Company for the holding and transfer of uncertificated securities (including Shares) in the United States of America;

“FCA” means the UK Financial Conduct Authority;

“FSCS” means the UK Financial Services Compensation Scheme;

“Participant” means the CREST user nominated by the Computershare Nominee who is therefore able to send and receive CREST messages on behalf of the Computershare Nominee;

“Permitted Countries” means the jurisdictions set out in clause 17, as amended from time to time;

“Retail Client” means someone who is not a financial services professional. Retail Clients are offered the full protection of the FCA rules;

“Share” means an ordinary share in XL;

“SRN” has the meaning given to it in clause 2.6;

“stamp duty” means stamp duty or stamp duty reserve tax, as applicable;

“Transfer Date” has the meaning given to it in clause 11.21;

“Transferee” has the meaning given to it in clause 11.21;

“VAT” has the meaning given to it in clause 11.4;

“Withholding Agent” means such person as Computershare may nominate from time to time to hold any Withholding Tax and remit the same to the appropriate tax authority (in any jurisdiction) on your behalf;

“Withholding Tax” means any withholding or deduction for taxes required to be made by Computershare in respect of any dividend or other distribution payable to you;

“XL” means XL Group plc, incorporated in Ireland with registered number 482042 and whose registered address is XL House, 8 St. Stephen’s Green, Dublin 2, Ireland;

“XL Depository Interest” or “XL DI” is a ‘domestic depository interest’ (a type of security or instrument) representing Shares that enables those Shares to be held and settled electronically within the CREST System. References to “your XL DIs” are to XL DIs originally issued to the Computershare Nominee on your behalf and to any other XL DIs which are transferred or issued to the Computershare Nominee for your account (including if you have elected to take part in the XL Nominee Account dividend reinvestment plan);

“XL Nominee Account” means the XL corporate sponsored nominee service provided by Computershare whereby the Computershare Nominee holds XL DIs as nominee in accordance with these terms and conditions;

“XL Nominee Share Dealing Facility” means the facility provided by Computershare for the sale of XL DIs;

“XL Share Register” means the share register maintained by XL or its agent for the Shares; and

“you” means the person holding an interest in the XL DIs.

1.2 Words importing one gender shall (where appropriate) include any other gender, and words importing the singular shall (where appropriate) include the plural and vice versa.

1.3 References to any statute or statutory provisions shall, unless the context otherwise requires, be construed as a reference to such statute or statutory provisions (including all instruments, orders or regulations made under it or deriving from it) as in force from time to time.

1.4 For the avoidance of doubt, references in these terms and conditions to the United Kingdom, unless specified to the contrary, shall exclude the Channel Islands.

1.5 Any provision that says we will do something also means that we will arrange for the Computershare Nominee to do so, unless the context means otherwise.

1.6 References in these terms and conditions to selling XL DIs includes, where the context permits, the sale of the Shares underlying the XL DIs.

2 Nominee arrangements and transfer of XL DIs

2.1 The Computershare Nominee will hold the XL DIs in uncertificated form in CREST. Nothing in these terms and conditions is intended to vary any of the Computershare’s rights or duties in relation to XL as set out in XL’s constitutional documents (as amended from time to time) and these terms and conditions must be interpreted to give that effect.

By participating in the XL Nominee Account, you have agreed to be bound by these terms and conditions. We will arrange for the Computershare Nominee to hold your XL DIs for you as bare trustee. It will be the legal owner of the DIs, bound by the deed constituting the XL DIs. You remain the beneficial owner of the XL DIs.

XL may from time to time arrange for XL DIs to be issued to the Computershare Nominee and direct that such XL DIs be held for you under the XL Nominee Account, and you authorise the Computershare Nominee to accept such XL DIs on this basis. Neither the Computershare Nominee nor Computershare will have or claim any interest in your XL DIs except as provided in clause 11.7 or as provided in any separate agreement or arrangement which you may have with Computershare.

You warrant to Computershare and the Computershare Nominee that your XL DIs are and will remain free of all liens, charges and encumbrances. You undertake to Computershare and the Computershare Nominee that you will not pledge or charge your XL DIs to a third party, or in any other way seek to give another person rights in or over your XL DIs. Neither the Computershare Nominee nor Computershare is acting as agent for XL in respect of the XL Nominee Account.

2.2 Computershare will maintain the register of persons for whom the Computershare Nominee holds XL DIs. You agree to provide Computershare promptly with any information which XL would be entitled to require from you

if you were the registered holder of your XL DIs, including information required to satisfy any company law requirements or relating to ownership of the XL DIs. You can also instruct Computershare to arrange for the Computershare Nominee to hold your XL DIs for another person or persons (including, for the avoidance of doubt, the addition of persons as joint holders). Computershare will do this only if it receives the relevant form confirming that such a transfer is by way of gift. There is no charge for such a transfer. No other transfers (except as provided in clauses 2.3 and 2.4 below) other than by way of sale through the XL Nominee Share Dealing Facility will be permitted.

2.3 If you wish to transfer your XL DIs from the Computershare Nominee without selling them through the XL Nominee Share Dealing Facility, they must first be transferred out of the XL Nominee Account. XL DIs transferred out of the XL Nominee Account (and not immediately cancelled) can be transferred into a CREST participant account specified by you or the underlying shares can be transferred into a DTC participant account specified by you or you can request that the underlying Shares be registered in your name on the XL Share Register. Computershare will arrange for this if you complete the relevant form and send it to us. Additional copies of the relevant form can be obtained from Computershare. A fee, currently £50 or the Euro equivalent will be charged if you decide to transfer XL DIs from the XL Nominee Account. Unless you have specifically confirmed with another dealing service that you may do so, you should not deal through any other such service before this transfer is complete. If all of your XL DIs (or underlying Shares) are transferred as set out above or you elect to have the underlying Shares registered in your name on the XL Share Register, you will no longer participate in the XL Nominee Account.

2.4 Except where you have elected to participate in the XL Nominee Account dividend reinvestment plan, Computershare will not accept transfers into the Computershare Nominee or the XL Nominee Account unless directed to do so by XL in accordance with clause 2.1 above.

2.5 Computershare reserves the right not to accept any transfer instruction which is not given on the relevant form, or which is given on any form that has not been properly completed. Such forms or instructions, if not accepted, will be returned to you. You may not cancel or amend any transfer instructions once they have been sent to Computershare.

2.6 Computershare will act only on instructions in writing which contain your Security holder Reference Number (“SRN”). This number is shown on the statements of your holdings sent to you by Computershare. You must keep your SRN safe because if another person obtains the number, it may facilitate fraud. If you lose or fail to quote your SRN this may result in a delay in giving effect to an instruction from you. Upon request, instructions to transfer are acknowledged by an amended statement of holding. Other instructions are acknowledged by Computershare acting on them but are not otherwise acknowledged.

2.7 All notifications to Computershare concerning your XL DIs (for example any change of address, or instruction as to receipt of dividend payments) should quote your SRN.

3 Company meetings and communications

Computershare will make available information about annual meetings and other meetings of XL shareholders together with a form which you can use to give the Computershare Nominee your voting instructions to vote by proxy on a poll or a show of hands. If you wish to attend, speak and vote in person at a shareholders’ meeting, Computershare will appoint you as its proxy in respect of your XL DIs (so long as this is permitted by XL’s constitutional documents) but, to do so, Computershare must have received the relevant instructions from you on a correctly completed form before the deadline notified to you. The services set out in this clause 3 are only available to the extent that CREST facilitates them.

4 Entitlements attaching to XL DIs and corporate actions

4.1 Computershare will act in accordance with reasonable written instructions given by you concerning the exercise of any rights attached to or arising from your XL DIs (e.g. if there is a rights issue or a takeover concerning XL), provided that you give the instructions in accordance with these terms and conditions and any other conditions notified to you at the relevant time. Computershare reserves the right not to act on any instructions where Computershare has to make a payment unless it receives the payment from you by such date as may be specified by Computershare at the relevant time. In the case of a rights issue and in the absence of instruction from or payment by you, Computershare will allow your nil paid rights to lapse at the end of the offer period.

4.2 If any other rights or entitlements arise in connection with your XL DIs, Computershare

will, where time and local legislation reasonably allows, take all reasonable steps so that, to the fullest extent possible, you are treated in the same way as you would have been as a registered holder of the XL DIs.

4.3 Where the Computershare Nominee holds XL DIs for a number of investors and XL DIs or other rights are allocated to the Computershare Nominee in respect of those XL DIs, it will allocate them between all such investors *pro rata* according to the number of XL DIs it holds for them. Any fractions of XL DIs which arise as a result of the Computershare Nominee holding XL DIs for a number of investors (for example through a bonus issue) will be aggregated and sold and the proceeds retained by Computershare for its own benefit.

4.4 If XL offers the option of a scrip dividend or a dividend reinvestment plan and Computershare does not receive any instructions from you by the specified time, Computershare will arrange for XL to pay you a cash dividend.

4.5 If you elect to receive a scrip dividend or to participate in the XL Nominee Account dividend reinvestment plan, the XL DIs will be issued to the Computershare Nominee to hold on your behalf in accordance with these terms and conditions and any cash balance will be retained in a non-interest bearing account with Computershare and carried forward and included in the calculation for your next scrip dividend or XL Nominee Account dividend reinvestment plan allocation. If you cancel your mandate, cease to be a holder of XL DIs or in the event of the death of a sole holder, any cash residue will be paid to you or added to the amounts of your next cash dividend, as appropriate.

4.6 Computershare will, as necessary, convert the amount of any cash dividend or other distribution attributable to your XL DIs in US Dollars into such currency (if any) that may be offered to you by XL or Computershare as part of an opportunity to participate in currency election, and then pay you this money by cheque or (where possible) via direct deposit into your nominated bank or building society account (should XL and Computershare offer this option), at or about the same time as dividend/distribution cheques to other shareholders of XL are distributed and direct deposits made. Your money, including cash sums in respect of which cheques have been drawn in your favour, will be held in a non-interest bearing account in the name of Computershare Investor Services PLC. No trust is created in respect of monies held in this account. Any cash sums in respect of which cheques are drawn in your favour or direct

deposits made in accordance with your instructions and which are unclaimed after 12 years will be forfeited by you and will revert to XL. Please note when we convert the cash dividend or other distribution from US Dollars into the relevant alternative currency, you will be responsible for paying any commission or other charges associated with converting to that currency. We will deduct such amounts from your dividend or other distribution before sending payment to you. Where we effect the currency conversion, the foreign currency exchange rate used will be a competitive rate based upon wholesale rates available in the market at the time. The wholesale rate is a point in time rate that is updated throughout the day subject to the availability of currencies for online trading. It will be derived from a reliable foreign exchange feed such as Reuters or Bloomberg and will also be dependent upon the ability to buy and/or sell currencies and the bulk buying position. We may aggregate a number of currency conversions in respect of which the shares are denominated in the same currency and execute them together. We may combine orders in this way in order to seek to provide a more favourable exchange rate than if each order were executed separately. Please note that the currency exchange rate can fluctuate in the period after you send us your instruction but before the conversion is effected and this may decrease the value of the dividend or other distribution you receive. Neither we nor XL accept any liability for any losses or expenses which you may suffer as a result of any such movement in the currency exchange rate. You may not specify the currency exchange rate or the minimum currency exchange rate to be applied to the conversion of your monies.

4.7 You acknowledge that the payment of any cash dividends or other distributions attributable to your XL DIs may be subject to Withholding Tax. Computershare may withhold any Withholding Tax from the amount of any cash dividend or other distribution otherwise payable to you and pay such amount to the relevant tax authority. Computershare shall be entitled to appoint a Withholding Agent to remit any Withholding Tax to the appropriate tax authority on your behalf. Upon request, you shall promptly provide Computershare with any information we or the Withholding Agent requires to determine the amount of any withholding or deduction, including (if relevant) a duly completed and properly executed United States form W-8BEN (or such other form as may be required by applicable law).

5 Statements

5.1 Computershare will provide you with a statement of the number of XL DIs held for you under the XL Nominee Account at the time when an account is first opened for you. Computershare will also send you a statement once a year of the number of XL DIs being held for you under the XL Nominee Account. When you sell XL DIs, you will also receive an advice note which will confirm the number of XL DIs you hold. These statements are provided free, but you will be charged a fee (currently £15 or the Euro equivalent) if you request a duplicate or additional statement.

5.2 You are required to check any statement which you receive from Computershare and, if you have any query or concern in relation to the matters disclosed by the statement, you should contact Computershare as soon as possible following receipt of the statement by you.

5.3 Computershare reserves the right to correct any erroneous debit or credit to the records maintained in respect of the XL Nominee Account relating to your XL DIs and will notify you (where relevant) of any correction which it makes.

6 CREST

6.1 The Computershare Nominee is a member of the CREST System. If you give instructions to Computershare, which means that a message must be sent through the CREST System (for example, where you instruct Computershare to transfer your XL DIs from the Computershare Nominee), then Computershare will pass that instruction to the Participant who is responsible for receiving and transmitting the instructions through the CREST System. Computershare will take reasonable care to ensure that the Participant acts on instructions given to it by Computershare. None of XL, Computershare or the Computershare Nominee accepts any responsibility for the operation of the CREST System and accordingly cannot be responsible to you for any delays or liabilities suffered by you as a result of the operation, failure or suspension of the CREST System, the insolvency or other default of CREST or of any participant in the CREST System or any other clearing system used as an alternative or successor to CREST or the failure by any CREST settlement bank to make, receive, credit or debit any payment. CREST has certain powers to suspend and terminate the Participant and, if such powers are exercised, then there may be a delay in giving effect to any instructions given by you. None of XL, Computershare or the Computershare Nominee accepts any

responsibility for any delays, liabilities or costs which you suffer as a result of the suspension or termination of the Participant by CREST as a CREST participant except where such suspension or termination has been caused by negligence, wilful default or fraud on the part of Computershare or the Computershare Nominee.

6.2 If you instruct Computershare to transfer any of your XL DIs you will indemnify Computershare and the Computershare Nominee against any liabilities or costs which they may incur if, for any reason connected with you, the transfer cannot be completed. You undertake to notify Computershare if you have any reason to believe that any person may be seeking to try to prevent you from transferring your XL DIs.

7 Sales of XL DIs

7.1 You may not buy more XL DIs to be held in your XL Nominee Account, except that XL DIs may be added to your XL Nominee Account if you participate in the XL Nominee Account dividend reinvestment plan.

7.2 If you instruct Computershare to sell your XL DIs, you may sell those XL DIs only through the XL Nominee Share Dealing Facility (on its terms and conditions). If you wish to use another dealing service to sell your XL DIs, you will need to transfer your XL DIs out of the XL Nominee Account in accordance with one of the options set out in clause 2.3 of these terms and conditions.

7.3 You will receive an advice note when you sell XL DIs.

8 Liability

8.1 Computershare will take reasonable care in operating the XL Nominee Account, and will be responsible to you for any losses or expenses (including loss of XL DIs) suffered or incurred by you as a direct result of Computershare's negligence, wilful default or fraud or breach of the agreement formed by these terms and conditions (as amended from time to time) or the negligent or fraudulent acts or omissions or wilful default of the Computershare Nominee but not otherwise. The Computershare Nominee will maintain your XL DIs in accordance with these terms and conditions and the FCA rules, but you remain the beneficial owner of the XL DIs. If the Computershare Nominee became insolvent your XL DIs would be protected.

8.2 If Computershare cannot provide its services due to circumstances beyond its reasonable control (for example because of a failure of its or another person's computer systems or telecommunications links or industrial disputes or postal delays) Computershare will, where

relevant, take such reasonable steps as it can to bring those circumstances to an end.

8.3 None of XL, Computershare or the Computershare Nominee shall be liable for any losses or expenses suffered by you as a result of the circumstances referred to in clause 8.2 above or as a result of a delay or failure in the provision of the XL Nominee Account or the XL Nominee Share Dealing Facility caused by such circumstances. None of XL, Computershare or the Computershare Nominee accepts liability for any indirect or consequential loss suffered by you.

8.4 None of XL, Computershare or the Computershare Nominee is responsible for any acts or omissions of XL, and XL is not responsible for any acts or omissions of Computershare or the Computershare Nominee.

8.5 Computershare will take reasonable care in its selection and continued use of the Participant, if any. but none of XL, Computershare or the Computershare Nominee accept any responsibility for any losses or expenses suffered or incurred by you as a result of any acts or omissions by the Participant (where the Participant is not a member of the same group of companies as Computershare).

8.6 Computershare will not be responsible for delays or failure to perform any of our obligations due to acts beyond its reasonable control. Such acts shall include, but not be limited to, acts of God, strikes, lockouts, riots, acts of war, terrorist acts, epidemics, governmental regulations superimposed after the fact, communication line failures, power failures, earthquakes or other disasters.

8.7 Nothing in these terms and conditions restricts any rights you may have under the rules of the FCA or under the Act 2012.

9 Termination: cancelling or withdrawing from the XL Nominee Account, and other termination events

You have two separate rights: cancellation rights, which apply only when you first join the XL Nominee Account, and withdrawal rights, which apply at any time thereafter. They are simply two separate mechanisms you can use to leave the XL Nominee Account.

9.1 Cancellation rights: You can cancel your XL Nominee Account within fourteen calendar days of the date on which your account is first activated (the "Cancellation Period") and request that all of your XL DIs (if any are held in the XL Nominee Account) should be transferred into a CREST participant account specified by you, or that the underlying shares are transferred into a DTC participant account

specified by you or you can request that the underlying Shares be registered in your name on the XL Share Register. However, you will lose your cancellation right if you make a request during the Cancellation Period for us to process any payment to you or sell any of your XL DIs for you in accordance with these terms and conditions. If you want to cancel your use of the XL Nominee Account you should advise us no later than the end of the Cancellation Period. If you exercise your right to cancel during the Cancellation Period in accordance with this clause, no fees will be payable as outlined. Once the aforementioned transfer has been effected, we will then no longer hold the XL DIs for you or remit any cash arising from dividends or other distributions in accordance with clause 4.6 above, and the terms and conditions of the XL Nominee Account will not apply to those XL DIs. If you do not exercise your right to cancel, we will provide the agreed services in accordance with these terms and conditions.

9.2 Withdrawal rights: If you no longer wish to hold your XL DIs through the XL Nominee Account you may give Computershare notice to terminate at any time in writing. You will be required to pay any applicable charges and any stamp duty associated with the removal of your XL DIs from the XL Nominee Account and their transfer into a CREST participant account specified by you or the transfer of the underlying Shares into a DTC participant account specified by you or for requesting that the underlying Shares be registered in your name on the XL Share Register, but you will not be required to make any additional payment in respect of the termination. No administrative charge will be payable if your participation in the XL Nominee Account terminates by reason of your entire holding of XL DIs being sold through the XL Nominee Share Dealing Facility or being transferred by you by way of gift pursuant to clause 2.2 above or where Computershare has introduced a charge pursuant to clause 11.2 below. Separate charges will apply, however, for the XL Nominee Share Dealing Facility. You may give notice of termination on the standard form sent to you by Computershare or you may write to Computershare. You need to give the details of the full name and SRN of the account which you wish to terminate. Any instruction to terminate an account in the name of joint holders must be signed by all joint holders.

9.3 Computershare may require you to cease using the XL Nominee Account at any time by giving 5 days' prior written notice to you or without notice if, in the opinion of Computershare, you are in material breach of these terms and conditions or the Computershare

Nominee is unable to comply with any obligation to which it may be subject which relates to your XL DIs under the deed constituting the XL DIs, having used all reasonable endeavours so to comply. In such event, Computershare will arrange for the XL DIs to be transferred into a CREST participant account specified by you, or for the underlying Shares to be transferred into a DTC participant account specified by you or you may request that the underlying Shares be registered in your name on the XL Share Register. For the avoidance of doubt, in such circumstances Computershare will not charge a fee if such a notice is served.

9.4 If the agreement between Computershare and XL for the provision by Computershare of the XL Nominee Account terminates (in whole or in part) or if you or Computershare give notice of termination to the other under these terms and conditions or if the XL Nominee Account terminates for any other reason, Computershare will arrange for your XL DIs to be transferred into a CREST participant account specified by you, or for the underlying Shares to be transferred into a DTC participant account specified by you, or you may request that the underlying Shares be registered in your name on the XL Share Register.

9.5 Termination will not cancel or amend any instructions which have already been sent by you to Computershare. Termination shall not affect any rights or obligations arising prior to or continuing during or after the date of termination or which arise in consequence of it or which relate to Computershare's provision of the XL Nominee Account to you and all such rights and obligations shall continue to be subject to the terms and conditions prevailing at the time of termination.

9.6 Whenever Shares underlying XL DIs are transferred into your name on the XL Share Register, any mandates or other instructions given by you relating to your XL DIs may, at XL's discretion, be applied, so far as relevant and so far as possible, to your registered holding.

9.7 You appoint Computershare to be your agent for the purpose of issuing any instructions necessary to CREST in order to give effect to the transfers referred to in this clause 9.

10 Taxation

10 Your attention is drawn to Part Seven of this Scheme Document, which sets out certain matters relating to the taxation treatment of Scheme Shareholders in respect of the Scheme in Bermuda, the UK, the US and the Republic of

Ireland. In particular, your attention is drawn to the comments regarding Irish stamp duty and to the potential charge for a subsequent purchaser of Shares, settling in the form of XL DIs. Although this Scheme Document contains certain limited tax-related information, if you are in any doubt about your own tax position or you are subject to taxation in any jurisdiction other than Bermuda, the US, the US or the Republic of Ireland, you should consult an appropriately qualified independent professional adviser immediately.

11 Notices and change of investor details

11.1 All notices and other communications sent by you to Computershare must be sent to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ and include the full name and SRN of your account with the Computershare Nominee. This information will be provided to you on the statements of holdings sent to you by Computershare.

11.2 Notices and other communications sent to you by Computershare will be sent to your address shown on the register maintained by Computershare for the Computershare Nominee, or we may communicate with you by email where the sole or first named joint holder has provided us with an email address. Notices sent by Computershare will be treated as received by you 2 business days after the date on which they are posted or emailed. Any documents sent to you by Computershare and any documents sent by you, or on your behalf, to Computershare will be sent entirely at your own risk, and neither Computershare nor the Computershare Nominee accepts any liability prior to receipt of any document from you or, where relevant, after dispatch of any document to you. We will not accept any instructions from you by fax, email or photocopied forms.

11.3 You should notify Computershare of changes of address and changes of name (supported by appropriate documents, e.g. deed poll or certified copies of marriage certificate) as soon as possible. On death, your executors should contact Computershare for advice on the procedures to be followed.

11.4 Computershare's obligations and your obligations under these terms and conditions shall be binding on Computershare and your successors, executors, administrators and other legal representatives.

11.5 Where a person who is authorised to act on your behalf in relation to your XL DIs and who has given such proof of his authority to so act as Computershare may reasonably require gives

any notice or takes any other action on your behalf, Computershare shall be entitled to rely on such notice or other action in all respects as if given by you in person.

11.6 Computershare provides its contractual terms in English and will communicate with you only in English during the duration of these terms and conditions.

12 General

12.1 Computershare may with the consent of XL amend these terms and conditions from time to time. All such amendments will be notified to you. You will be given at least 20 business days' prior notice of any amendment which could affect your rights against Computershare or liability to Computershare.

12.2 Save in respect of the XL Nominee Share Dealing Facility (in respect of which separate terms and conditions apply in accordance with clause 7.2 above) and save as set out in clauses 2.3, 4.6, 5.1, 9.2, 12.7, 15.6 and 16, the only charges for the XL Nominee Account are for the supply of duplicate tax vouchers and United States tax reporting forms. Computershare will give you at least one month's prior written notice of any other proposed charge for the XL Nominee Account. Up to date copies of these terms and conditions and current charges can be obtained by telephoning Computershare on +44 (0)870 707 1897.

12.3 You can obtain additional forms by writing to the XL Nominee Account, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ.

12.4 All fees, commissions and other charges payable to Computershare by you are exclusive of UK Value Added Tax ("VAT"). Where relevant, you must also pay an amount in respect of any UK VAT due on such sums.

12.5 Computershare reserves the right to notify the any applicable stock exchange of any client defaulting on settlement. This may affect your ability to deal in future with member firms of such stock exchanges.

12.6 These terms and conditions shall be subject to English law and you submit to the non-exclusive jurisdiction of the English courts.

12.7 Computershare reserves the right, subject to giving two business days' prior notice to you, to sell any of your XL DIs or connected rights and to keep the proceeds of sale to the extent that they cover any amount which you may at any time owe Computershare in respect of transactions or services governed by these terms and conditions. You authorise Computershare to execute any relevant stock transfer form or other relevant document or give any instruction

necessary to give effect to any such sale. By appointing Computershare to provide services under these terms and conditions, you acknowledge and declare that your XL DIs and your rights and interests in or in relation to your XL DIs shall stand charged to Computershare as security accordingly. You agree to indemnify Computershare against any losses and expenses it incurs as a result of your failure to put Computershare in funds in relation to a matter instructed by you or otherwise as a result of a breach by you of these terms and conditions and against any taxes suffered by Computershare attributable to your use of the XL Nominee Account. Computershare reserves the right to charge interest at an annual rate equal to 2 per cent above the base rate from time to time of The Royal Bank of Scotland plc on any amount due to it from you. If you owe Computershare money it reserves the right not to act on instructions from you and to retain any documents it holds for you until you have paid Computershare in full.

12.8 Where Computershare owes you money and you owe money to Computershare under the XL Nominee Account, Computershare may set off the amounts due from and to Computershare and send you only the net amount (if any). Fractions of a penny arising in respect of money due to you are rounded down and retained by Computershare for its own benefit.

12.9 No conduct or delay on the part of Computershare shall be taken as a waiver or variation of any rights which Computershare has unless Computershare waives or varies a particular right in writing. No waiver or variation on a particular occasion will operate as a waiver or variation of any rights Computershare might have in respect of any other matter.

12.10 You authorise XL, Computershare or Computershare Nominee and the Participant may disclose to each other or another person carrying out functions in relation to the XL Nominee Account information relation to you provided it is required for the purposes of the provision or improvement of the XL Nominee Account.

12.11 You agree that XL, Computershare, the Computershare Nominee and the Participant may disclose to each other or to any other person carrying out functions in relation to the XL Nominee Account information relating to you provided it is required for the purposes of the provision or improvement of the XL Nominee Account.

12.12 We and our agents may affect transactions notwithstanding that they have a direct or

indirect material interest or a relationship of any description with another party which may involve a conflict with its duty to persons using this service. We manage those conflicts of interest of which we are aware, and monitor the effectiveness of our policies and procedures on a regular basis. We make every effort to disclose our interests and those of our employees where it is suspected that a conflict of interest may arise. In accordance with our regulatory responsibility on this matter we operate a documented policy that details our obligations. Full details are available upon written request to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ.

12.13 We reserve the right to delay taking any action on any particular instructions from you if we consider that we need to do so to obtain further information from you, or to comply with any legal or regulatory requirement binding on us (including the obtaining of evidence of identity to comply with money laundering regulations), or to investigate any concerns we may have about the validity of or any other matter relating to the instruction.

12.14 Computershare does not recognise, in maintaining records for the Computershare Nominee, any trust and neither Computershare nor the Computershare Nominee will take notice of any trust whether express, implied or constructive.

12.15 Neither Computershare nor the Computershare Nominee will lend your XL DIs to any third party or borrow money using them as security.

12.16 If:

12.16.1 Computershare has sent documents to your address on two separate occasions and they have been returned and, after making reasonable enquiries, Computershare cannot find your current address, it will not send any more documentation to you until you provide Computershare with your address; or

12.16.2 two dividend payments in respect of your XL DIs have been returned on consecutive occasions to Computershare or otherwise not cashed and, after making reasonable enquiries, Computershare cannot find your current address, it will cease to send you dividend and other distribution payments. However, subject to clauses 4.4 and 4.5, the dividends and other distributions in respect of XL DIs will accrue in a non-interest bearing account in the name of Computershare; or

12.16.3 (i) on or after a 12 year period during which at least three dividend payments in respect

of your XL DIs have been made and returned to Computershare or otherwise not cashed,

(ii) Computershare announces it intends to sell your XL DIs by placing an advertisement in a leading national newspaper in the Ireland and the UK and at least one newspaper appearing in the area of your address shown on the register maintained by Computershare for the Computershare Nominee,

(iii) during this 12 year period and for three months after the last of the advertisements appears, Computershare has not heard from you or any person who is automatically entitled to your XL DIs by law, and

(iv) Computershare has told the applicable stock exchange that it intends to sell your XL DIs,

Computershare may sell your XL DIs at the best price it can reasonably obtain and pay the proceeds to XL.

12.17 When Computershare (or its agents or delegates) arranges for the sale of XL DIs for you it or they could be:

12.17.1 acting for an associated company which is dealing as principal for its own account by buying XL DIs from you;

12.17.2 buying XL DIs where an associated company is involved in a new issue, rights issue, takeover or similar transaction concerning the XL DIs; or

12.17.3 otherwise in a position where it has a material interest in the transaction.

12.18 Computershare may employ agents and delegates on such terms as it thinks fit to carry out any part of its obligations or discretions in connection with the XL Nominee Account and, save as expressly provided in these terms and conditions, Computershare shall be liable for the acts and omissions of such agents and delegates on the same basis as if they were the acts or omissions of Computershare. Details of such delegation, in so far as it is in respect of regulated investment activities, and of the charges levied by such delegates against Computershare are available on request by writing to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ.

12.19 Your XL DIs will not be identifiable by separate certificates or other physical documents of title. Should Computershare default in any way, any shortfall in XL DIs registered in the name of the Computershare Nominee may be shared *pro rata* between you and other persons on whose behalf the Computershare Nominee holds XL DIs.

12.20 This service is a XL sponsored scheme which means that we charge XL a fee representative to the costs of operating it. This arrangement means that plan participants are not charged an annual fee. In accordance with our regulatory obligations, if you would like more detail on this arrangement please write to us at the address above.

12.21 Computershare may at any time transfer all or any of its rights and obligations under this agreement to any person (the “Transferee”) who is in the reasonable opinion of Computershare able to perform the obligations of Computershare under these terms and conditions. The transfer will be given effect by Computershare and the Transferee sending a transfer notice to you specifying the date (the “Transfer Date”) on and from which the Transferee will assume Computershare’s rights and obligations under these terms and conditions. Any changes to the terms and conditions which will be necessary because of the transfer, for example changes of address and banking details, will be set out in the transfer notice. At least 30 days’ prior notice of the transfer will be given. If you choose to leave the XL Nominee Account within the 30 day period then no charge will be payable by you. The transfer will not affect any rights you may have against Computershare which relate to the period before the Transfer Date. With effect from the Transfer Date:

12.21.1 the agreement formed by these terms and conditions (as amended from time to time) shall be treated for all purposes as having been transferred to, and as if entered into between you and, the Transferee in place of Computershare;

12.21.2 Computershare shall be released and discharged from all of its obligations and liabilities under these terms and conditions;

12.21.3 references to Computershare shall be read as references to the Transferee; and

12.21.4 the Computershare Nominee will be such company as is notified to you in the transfer notice, which company shall be a member of CREST and its business shall consist solely of acting as nominee.

12.22 In the provision of this service we are not required to assess the suitability of the investment or the service offered. You will not benefit from the protection of the FCA rules on assessing suitability.

12.23 For the purposes of the XL Nominee Account you will be categorised as a Retail Client.

13 Joint holders

13.1 The Computershare Nominee will not hold XL DIs for more than four joint holders. Where the XL DIs held by the Computershare Nominee for you are held for more than one person, references to “you” in these terms and conditions are to each of the joint holders separately as well as jointly and severally. Each such person agrees that:

13.1.1 all obligations, undertakings and agreements on the part of Computershare and the Computershare Nominee are given to the joint holders taken together and not separately to each of them; and

13.1.2 all obligations, undertakings, agreements and liabilities arising under or pursuant to these terms and conditions shall constitute joint and several obligations of each joint holder to Computershare (and, where relevant, the Computershare Nominee).

13.2 Computershare will only accept transfer instructions given by or on behalf of all of the joint holders. Computershare reserves the right to accept other instructions signed by one or more joint holders. In such a case the person(s) giving the instructions warrant(s) to Computershare that they have the necessary authority to give such instructions on behalf of all joint holders.

13.3 All notices, other documents and payments sent by Computershare pursuant to these terms and conditions will be sent to the first named holder on the nominee register and in any case will be treated as sent to all of the other joint holders. It is the responsibility of the holder who receives the notices, documents and payments to notify and account to the other joint holders. Only the first named holder may be nominated as proxy to attend, speak and vote at meetings of XL shareholders (to the extent such proxy facility is made available by CREST).

14 Complaints

14.1 We have a procedure to help us resolve all complaints from our customers effectively. If you have any complaints about the service provided to you or wish to receive a copy of our complaints procedure, please write to us at Computershare Investor Services PLC, Shareholder Relations, The Pavilions, Bridgwater Road, Bristol, BS13 8AE. If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service, details of which are available on request.

14.2 Computershare Investor Services PLC is covered by the UK Financial Services Compensation Scheme and you may be entitled

to compensation if we cannot meet our obligations. Most types of investment business are covered for 100% of the first £50,000 (i.e. a maximum of £50,000 per person). Further details of this scheme are available on request.

15 Client Money

15.1 You authorise us to pool any client money we hold on your behalf in the provision of this service into any relevant omnibus bank accounts set up in accordance with the FCA's CASS Rules. You understand and accept that by pooling your client money with those of other clients you retain all rights you have as the legal owner of the monies.

15.2 All client money that we hold on your behalf as a consequence of administering this service will be maintained in an appropriately designated and named client money bank account at a UK approved bank. Your client money will be held on trust for the benefit of clients for whom we are holding client money and treated in strict accordance with the requirements of the FCA Rules. This means that in the event that we or the bank became insolvent your client money would be protected from creditors generally and subject to the prevailing terms of the FSCS. In such an event any irreconcilable shortfalls of client money in the client money bank accounts may be pro-rata with other clients in relevant client money bank accounts and you may not recover all of your client money.

15.3 If, for operational purposes, we are required to maintain your client money in a bank based in a jurisdiction outside the UK, then we will take all reasonable steps to protect the client money in accordance with the local equivalent law and rules with regard to how your client money is treated. These may be different to those in the UK and your rights in the event of insolvency may be reduced.

15.4 We will not pay interest on any client monies held on your behalf.

15.5 We may cease to treat your money as client money and, accordingly, remove it from the client money bank account(s) if there has been no movement in your balance for a period of at least six years (notwithstanding any payments or receipts of charges or similar items) and we have taken reasonable steps to trace you and return your balance. However if we take such steps, we undertake to make good any valid claim against removed balances.

15.6 Acquisition costs, statutory fees and any other costs associated with executing deals shall be borne by you and where appropriate may be paid by deduction from your credit balance.

16 Data Protection Act

16.1 You authorise us to provide information concerning you, your XL DIs and any instructions given by you in relation to your XL DIs to carefully selected third parties in order to facilitate provision of the XL Nominee Account. Your details will only be disclosed in accordance with the Principles set out in the United Kingdom Data Protection Act 1998: (i) to any person if that person has legal or regulatory powers over us or the Computershare Nominee; (ii) to XL (or any other person carrying out functions in relation to the XL Nominee Account, including CREST) in order to facilitate the provision of the XL Nominee Account; and (iii) to any person carrying out functions in relation to acting as the registrar of XL.

16.2 XL and some of its agents may be located in the United States or other jurisdictions which may not have data protection laws as strict as those in the United Kingdom, and you nevertheless authorise us to provide information to such persons as set out above. You have the right upon request to view what information we hold about you. We may charge you a small fee for providing you access to this information.

16.3 XL will have access at all times to the records we hold about you in order to inform you of your rights as a person on whose behalf XL DIs are held by the Computershare Nominee, including corporate and other details, and products or services specifically designed for shareholders.

17 Terms and conditions to prevent money laundering and breaches of law/regulation

17.1 We may require evidence of your identity from time to time to comply with money laundering legislation in relation to holding, selling or, if you participate in the XL Nominee Account dividend reinvestment plan, buying XL DIs. Delay or failure to provide satisfactory evidence may result in us refusing to hold XL DIs for you or in payments to you in connection with your XL DIs being withheld or a delay or refusal to act in following instructions.

17.2 If we believe that you are breaching money laundering legislation, we may refuse to allow you to participate in the XL Nominee Account and if appropriate may notify the relevant authorities.

17.3 We reserve the right to delay taking any action in relation to the XL Nominee Account or in relation to any particular instructions from you if we consider that we need to do so to obtain further information from you or to comply with any legal or regulatory requirement

binding on us (including the obtaining of evidence of identity to comply with money laundering regulations) or to investigate any concerns we may have about your instruction.

18 Permitted Jurisdictions

18.1 The permitted jurisdictions for the XL Nominee Account are set out below. If you are resident in another territory you will be excluded from participating in the XL Nominee Account. If you are unsure of your status please call Computershare on +44 (0) 870 703 0008 (Monday to Friday, 9.00 a.m. to 5.00 p.m. (London time)). The permitted jurisdictions for the XL Nominee Account are: Argentina, Austria, Belgium, Botswana, Brazil, Bulgaria, Chile, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Gibraltar, Greece, Guernsey, Guinea, Hungary, Iceland, Indonesia, Ireland, Isle of Man, Italy, Jersey, Korea, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Mexico, Namibia, The Netherlands, Norway, Paraguay, Peru, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, Taiwan and the United Kingdom.

18.2 Computershare Investor Services PLC is authorised and regulated by the Financial Conduct Authority, Registered Office: 25 The North Colonnade, Canary Wharf, London E14 5HS. Computershare Investor Services PLC is on the Financial Conduct Authority Register with registration number 188534. Computershare Investor Services PLC is registered in England & Wales, Company No. 3498808, Registered Office: The Pavilions, Bridgwater Road, Bristol BS13 8AE. The main business of Computershare Investor Services PLC is the provision of share registry and shareholder services.

