

# Catlin Group Limited Notice of Annual General Meeting

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

If you have sold or transferred all of your common shares of US\$0.01 each in the capital of Catlin Group Limited ('Common Shares'), please give this document (together with the accompanying form of proxy) to the stockbroker, bank or other agent through whom you made the sale or transfer for transmission to the purchaser as soon as possible.

**Catlin Group Limited  
Notice of Annual General Meeting  
Wednesday 14 May 2008**

A letter from the Company Secretary is included in this document.

Notice of the Annual General Meeting of Catlin Group Limited to be held at 12.00 pm (Bermuda time) on 14 May 2008 at the Company's head office, Cumberland House, 6th Floor, 1 Victoria Street, Hamilton HM11, Bermuda is set out at the end of this document. A form of proxy for use at the Annual General Meeting is enclosed with this document.

Holders of shares in certificated form wishing to appoint a proxy, or holders of depositary interests wishing to instruct Capita IRG Trustees Limited (the 'Depositary') to vote on their behalf, should complete the form of proxy in accordance with the instructions printed thereon so as to be received by Capita Registrars, The Registry, 34 Beckenham Road, Kent BR3 4TU, United Kingdom on or before the deadlines detailed below. Alternatively, holders of depositary interests who are members of CREST (being the relevant system in respect of which Euroclear UK and Ireland Limited is the Operator (all as defined in the Uncertificated Securities Regulations 2001)) wishing to instruct the Depositary to vote on their behalf may do so electronically by following the instructions on page 3 of this document and on the form of proxy.

Timetable of events

Latest time and date for receipt of completed forms of proxy or electronic directions from holders of depositary interests:  
5.00 pm (BST) on 9 May 2008

Latest time and date for receipt of completed forms of proxy from holders of Common Shares:  
4.00 pm (BST) on 12 May 2008

Annual General Meeting:  
12.00 pm (Bermuda time) on 14 May 2008

**Company Secretary's Letter**

Catlin Group Limited (incorporated and registered in Bermuda under registration number 26680)

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

**17 March 2008**

To holders of Common Shares ('Shareholders') and for information only to holders of depositary interests:

Dear Shareholder  
**Annual General Meeting ('AGM')**

I am writing to give you details of the business to be considered at Catlin Group Limited's (the 'Company') forthcoming AGM to be held at the Company's head office, Cumberland House, 6th Floor, 1 Victoria Street, Hamilton HM11, Bermuda on Wednesday 14 May 2008 at 12.00 pm (Bermuda time). The notice convening the AGM is set out at the end of this letter.

**Business of the AGM**

The following business will be proposed at the AGM:

- 1 To receive the Annual Report and Accounts for the year ended 31 December 2007 (Resolution 1)**  
The Company's Annual Report and Accounts 2007 ('Report and Accounts') is enclosed with this document.
- 2 To approve the Directors' Remuneration Report for the year ended 31 December 2007 (Resolution 2)**  
The Directors' Remuneration Report has been prepared in accordance with the Directors' Remuneration Report Regulations 2002. You can find the report on pages 69 to 75 of the Report and Accounts.
- 3 To re-appoint the Company's auditors and authorise the Board to determine their remuneration (Resolutions 3 and 4)**  
The Board of Directors of the Company ('Board') proposes that PricewaterhouseCoopers LLP be re-appointed as auditors of the Company. Resolution 4 proposes that the Board be authorised to establish the level of the auditors' remuneration.
- 4 To declare a final dividend on the Common Shares (Resolution 5)**  
The Board proposes a final dividend of 17 pence (33.8 cents) per share which will be payable on 23 May 2008 to Shareholders of record at the close of business on 25 April 2008. This dividend is in addition to the interim dividend of 8.1 pence (16.4 cents) per share that was paid on 9 November 2007. The total 2007 dividend of 25.1 pence (50.2 cents) per share is 9 per cent greater in sterling terms than the total 2006 dividend of 23 pence (44.1 cents) per share.

# Company Secretary's Letter

## 5 To re-elect certain Directors of the Company (Resolutions 6, 7 and 8)

Biographical details of the Directors are given on pages 58 and 59 of the Report and Accounts. Alan Bossin and Michael Eisenson retire by rotation under the Company's Bye-Laws. Sir Graham Hearne retires by rotation and as required by the Company's Bye-Laws upon reaching 70 years of age. Each offers himself for re-election as a Director. Having considered the skills, experience and ongoing contributions of the three candidates in the context of the Board's overall composition, the Board recommends the re-election of each.

## 6 To authorise the allotment of relevant securities (Resolution 9)

Resolution 9 will be proposed as an ordinary resolution to grant a new authority to allot un-issued share capital up to an aggregate nominal value of US\$844,732, an amount equal to one-third of the total issued ordinary share capital as at 14 March 2008 (being the latest practicable date prior to the date of this document). The Board confirms that there is no intention to exercise this authority at present or otherwise to allot shares other than in respect of the Company's obligations under existing employee share schemes, the new employee share plans that are proposed to be adopted at the AGM and are detailed in paragraph 7 in this letter, and the warrant instrument entered into by the Company on 4 July 2002 ('Warrant Instrument'). The authority will be exercised only if the Board believes that to do so would be in the best interests of Shareholders generally. Unless renewed, this authority will lapse on the earlier of the conclusion of the next AGM or 15 months after the passing of the resolution.

## 7 Proposed new Catlin Group Limited Savings-Related Share Option Scheme and Catlin Group Limited US Employee Stock Purchase Plan (Resolutions 10 and 11)

The Company aims to align interests between employees and shareholders and to encourage employee performance by promoting share ownership. Offering employees the opportunity to own shares through a formalised and tax-efficient structure is also a valuable part of making the Company an attractive place to work.

It is therefore proposed to establish the Catlin Group Limited Savings-Related Share Option Scheme (the 'UK Sharesave Scheme') for all UK employees and the Catlin Group Limited US Employee Stock Purchase Plan for all US employees ('the US ESPP') (collectively, 'New Plans') to offer as many employees as possible the opportunity to acquire Common Shares and participate in the success of the Company. The adoption by the Company of the UK Sharesave Scheme and the US ESPP are proposed as ordinary resolutions.

The UK Sharesave Scheme is intended to meet UK HM Revenue & Customs ('HMRC') approval requirements, thus enabling all eligible UK employees of the Company to acquire Common Shares in a tax-efficient manner.

Under the UK Sharesave Scheme, eligible employees will be able to apply for options over the Company's Common Shares which become exercisable after three, five or seven years under a savings contract of three, five or seven years. Initially it is intended that three-year savings contracts will be offered. The price payable on exercise is set at a discount of up to 20 per cent of the market value of a share in the Company at the time employees are invited to participate in the Scheme. Participants will fund the exercise of their options by way of monthly salary deductions. In normal circumstances, the Common Shares can be acquired without

incurring any charges to income tax or national insurance. The Board intends to establish further schemes to enable options or similar awards to be granted to employees based outside of the UK and the US. Awards granted under such schemes shall be granted on economically similar terms to the UK Sharesave Scheme, though the terms may be different to take account of relevant overseas tax, securities or exchange control laws and to disapply savings contracts, where appropriate, and allow the use of equity or cash settled stock appreciation rights.

The US ESPP is intended to qualify under Section 423(b) of the US Internal Revenue Code to enable all eligible US employees of the participating US subsidiaries of the Company to acquire Common Shares in a tax efficient manner.

Under the US ESPP, eligible employees will be able to apply for options over the Company's Common Shares which become exercisable at the end of a specified savings period of not more than 27 months (an 'Offering Period'). Participants will fund the exercise of their options by way of salary deductions throughout the Offering Period. Initially it is intended that the Offering Period will be 12 months. The price payable on exercise is set at a discount of up to 15 per cent of the market value of a share in the Company on the day preceding the Offering Period. In normal circumstances and subject to the required holding periods being met, the employee can benefit from favourable tax treatment on acquisition of the Common Shares.

The total limit for new shares that can be issued under the New Plans, together with the shares to be issued to satisfy awards under the existing Performance Share Plan and any other share plans during the period of ten years prior to such grant (but excluding any awards granted prior to the Company's initial public offering ('IPO')), is proposed to be 10 per cent of the issued ordinary share capital of the Company on the date of grant.

The principal features of the UK Sharesave Scheme and the US ESPP are summarised in the Appendix to this letter.

The Board is also asking shareholders to authorise it to make amendments to the UK Sharesave Scheme and the US ESPP as may be necessary in the future to benefit the administration of the proposed New Plans.

## 8 Amendment of Performance Share Plan (Resolution 12)

The Board proposes an ordinary resolution (Resolution 12) to increase the dilution limit on the number of new Common Shares that can be issued to satisfy awards made under the Company's existing Performance Share Plan ('PSP'), combined with all other employee share plans, from 5 per cent to 10 per cent.

Since its adoption in 2004, the PSP has been extended to a wide range of participants. From that time up to 2008, the number of participants in the PSP has grown from 112 to approximately 420, representing 40 per cent of all employees. As a result, the 5 per cent limit has been substantially eroded. To enable the PSP to continue to be offered to a wide range of employees and in the light of the proposed introduction of the all-employee New Plans, it is proposed to increase the dilution limit to 10 per cent of issued ordinary share capital in any ten-year period for all the Company's employees' share schemes (whether discretionary or all-employee in nature), excluding options or awards granted prior to the IPO.

The Board recommends this change to preserve the Company's ability to continue to make awards to a significant proportion of employees under the PSP as well as awards to all employees under the New Plans. To the extent practicable and within best practice limits, the Board will seek to minimise dilution by satisfying awards under all share plans through open market share purchases via an employee benefit trust.

#### **9 To disapply pre-emption rights (Resolution 13)**

The Board also seeks to renew its authority from shareholders to allot or sell shares on a non-pre-emptive basis (a) pursuant to a rights issue or other offer to shareholders and (b) otherwise up to an aggregate nominal value of US\$126,710 (which is equal to 5 per cent of the issued ordinary share capital as at 14 March 2008 (being the latest practicable date prior to the date of this document)). The Board confirms that there is no intention to exercise this authority at present or otherwise to allot shares other than in respect of the Company's obligations under existing employee share schemes, the new employee share plans (which are proposed to be adopted at the AGM and are detailed in paragraph 7 in this letter) and the Warrant Instrument. Unless renewed, this authority will lapse on the earlier of the conclusion of the next AGM or 15 months after the passing of the resolution. Resolution 13 will be proposed as a special resolution.

#### **10 To authorise the Company to purchase its own shares (Resolution 14)**

The Board seeks to renew the Company's authority to purchase its own shares. Any shares acquired by the Company pursuant to the authority will be cancelled. The Board intends to use this power only after careful consideration, having taken account of other investment opportunities, appropriate gearing levels and the overall financial position of the Company and only if satisfied that a repurchase would benefit shareholders generally. The proposed resolution specifies the maximum number of shares which may be acquired (which equates to 10 per cent of the issued ordinary share capital as at 14 March 2008 (being the latest practicable date prior to the date of this document)), as well as the maximum and minimum prices at which they may be bought in accordance with the current requirements of the London Stock Exchange. As at 14 March 2008, there were awards under existing employee share schemes and warrants outstanding under the Warrant Instrument (all of which are subject to vesting conditions and/or various exercise prices) over approximately 25,535,347 Common Shares, representing 10.1 per cent of the Company's issued share capital. Of that total, 3.5 per cent relates to the warrants and 2.0 per cent of awards under the PSP are intended to be satisfied by open market purchases of Common Shares rather than the issue of new shares. If the authority given by Resolution 14 were to be fully used, the total would then represent 11.2 per cent of the Company's issued share capital. Resolution 14 will be proposed as a special resolution.

The proposed rules of the New Plans and the proposed amended version of rules of the PSP are available for inspection at the Company's registered office, Canon's Court, 22 Victoria Street, Hamilton, HM 12, Bermuda and at the offices of Catlin Holdings Limited, 3 Minster Court, Mincing Lane, London EC3R 7DD during normal business hours on any business day (Saturday, Sunday and

public holidays excluded) from the date of this letter to the conclusion of the Annual General Meeting and at the place of the meeting itself for at least 15 minutes prior to and during the meeting.

#### **Action to be taken**

A form of proxy for use by holders of Common Shares in certificated form at the AGM or at any adjournment thereof is enclosed. The completion and return of the form of proxy will not preclude Shareholders from attending the AGM and voting in person should they wish to do so. Whether or not such holders propose to attend the AGM, they are requested to complete and sign the form of proxy in accordance with the instructions printed thereon and return it, as soon as possible but in any event so as to be received by Capita Registrars, The Registry, 34 Beckenham Road, Kent BR3 4TU, United Kingdom no later than **4.00 pm (BST) on 12 May 2008**.

Holders of depositary interests wishing to vote may do so by instructing the Depositary to vote using the form of proxy enclosed. The form of proxy must be received by Capita Registrars, The Registry, 34 Beckenham Road, Kent BR3 4TU, United Kingdom, not later than **5.00 pm (BST) on 9 May 2008**. Forms of proxy may also be delivered by hand to Capita Registrars, The Registry, 34 Beckenham Road, Kent BR3 4TU, United Kingdom, during normal business hours, prior to the relevant deadline.

Alternatively, qualified depositary interest holders may instruct the Depositary how to vote using the CREST electronic voting service. To instruct the Depositary how to vote or to amend an instruction to vote via the CREST system, the CREST message must be received by the issuer's agent RA10 by **5:00pm on 9 May 2008**. 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.

#### **Recommendation**

The Board believes that the proposed resolutions set out in the notice of AGM are in the best interests of the Company and its Shareholders as a whole and recommend that Shareholders vote in favour. Each Director who holds shares in the Company intends to vote in favour of these resolutions with the exception of Resolutions 6, 7 and 8 (to the extent that such resolution relates to his re-election as a Director).

Yours faithfully

**Daniel Primer**  
Company Secretary

# Company Secretary's Letter/Appendix

## Appendix

### 1 Catlin Group Limited Savings-Related Share Option Scheme

The principal features of the Catlin Group Limited Savings-Related Share Option Scheme ('the UK Sharesave Scheme') are outlined below.

#### General

The UK Sharesave Scheme is intended to be a Save-As-You-Earn share option scheme approved by the HM Revenue & Customs in accordance with Schedule 3 to ITEPA 2003.

The UK Sharesave Scheme shall be administered by the Board or a duly authorised committee thereof.

#### Eligibility

All UK tax resident Executive Directors and employees of the Company and participating companies within the Group with at least five years service must be entitled to participate. The Board may also permit Executive Directors and employees with a shorter period of service to participate in the UK Sharesave Scheme.

It is intended that the first invitations to apply for options under the UK Sharesave Scheme will be made to all eligible Executive Directors and employees who have completed three months service with the Company (or one or more of its subsidiaries) at the date invitations under the UK Sharesave Scheme are made. Thereafter, the Board will determine the basis upon which any future invitations to apply for options will be made.

#### The Savings Contract

To participate in the UK Sharesave Scheme, an eligible employee must enter into a Save-As-You-Earn contract (the "Savings Contract") with an appropriate savings carrier approved by the Company, thereby agreeing to make monthly contributions of between £5 and £250 for a specified period of three, five or seven years. The Board has discretion to determine which of the Savings Contracts will be available in respect of any invitation to apply for options.

A bonus is payable after the expiration of the savings period under the Savings Contract. With effect from 4 April 2008, the bonus payable after three years is equal to 1.6 times the monthly contributions, with a bonus of 5.1 and 9.8 times the monthly contributions for five and seven year contracts respectively.

#### Scaling Down

Applications to participate in the UK Sharesave Scheme may be scaled down by the Board in accordance with procedures laid down in the rules of the UK Sharesave Scheme, if applications exceed the number of Common Shares available for the grant of options. Such scaling down may include:

- (a) reducing the level of bonuses;
- (b) reducing monthly contributions above a certain level pro rata; or
- (c) reducing the length of savings contracts.

#### Option price

Options granted to acquire Common Shares under the UK Sharesave Scheme will have an option price determined by the Board, which will be not less than the higher of:

- (a) 80% of the middle market quotation for such Common Shares as derived from the Official List for the dealing day (or, if so determined by the Board the average of such quotations for a period up to five dealing days) immediately preceding the date on which invitations to apply for options are issued to employees; and
- (b) where Common Shares are to be subscribed, their nominal value.

#### Grant of options

The number of Common Shares over which options may be granted must, as nearly as possible, be equal to, but not in excess of, that number of Common Shares which may be purchased out of the repayment proceeds (including, where the Board so allows, any bonus) of the relevant Savings Contract at the option price.

Options may be granted within the six weeks following the date on which the UK Sharesave Scheme is adopted by the Company or approved by HMRC. Thereafter, options may normally only be granted in the six weeks following the announcement by the Company of its results for any period, or following a change in the legislation relating to UK Sharesave Schemes or where there are circumstances considered by the Committee to be exceptional.

No options may be granted later than ten years after the approval of the UK Sharesave Scheme by shareholders.

No payment will be required for the grant of an option. Options will not be taken into account in determining a participant's pension rights under a final salary pension scheme, or the employer's contributions to a defined contributions scheme. Options are not transferable (other than on death in which case they may be exercised by a participant's personal representatives).

#### Limits on the issue of Common Shares

In any ten-year period not more than 10 per cent of the issued ordinary share capital of the Company from time to time may be issued or issuable pursuant to rights acquired under the UK Sharesave Scheme and any other employees' share scheme adopted by the Company.

For the purposes of this limit, options or other rights to acquire Common Shares which lapse or have been released or were granted prior to the Company's IPO do not count. However, new Common Shares subscribed by the trustees of an employee benefit trust to satisfy rights granted under any employees' share scheme adopted by the Company do count towards this limit. Furthermore, treasury shares will count as new issued shares for the purposes of this limit for so long as it is market practice to do so.

#### Exercise of options

Options will only normally be exercisable for a period of six months commencing on the date on which a bonus is payable under the Savings Contract and, if not exercised by the end of that period, the option will lapse.

Earlier exercise may, however, be permitted in specified circumstances, including termination of employment as a result of injury, disability, redundancy, retirement or the sale of the subsidiary or business for which the participant works. In such cases, options may be exercised within six months of cessation of employment to the extent the funds then available in the participant's Savings Contract permit. In the event of death of an option holder, the personal representative of the deceased may normally exercise within one year of the date of death.

Early exercise may also be permitted where a participant reaches age 65 but remains in employment. In such a case, options may be exercised within six months of reaching that age to the extent the funds then available in the participant's Savings Contract permit.

Options may be satisfied by the issue of new Common Shares or by the transfer of existing Common Shares, from an employee benefit trust established by the Company, from treasury or otherwise.

### Rights attaching to Common Shares

All Common Shares allotted or transferred under the UK Sharesave Scheme will rank *pari passu* with all other common stock of the Company for the time being in issue (save as regards any rights attaching to such Common Shares by reference to a record date prior to the date of allotment or transfer) and the Company will apply for any new Common Shares issued under the UK Sharesave Scheme to be admitted to the Official List and to trading on the London Stock Exchange.

Common Shares are not capable of being settled directly within the usual UK settlement systems (i.e. CREST). Therefore in order to facilitate the holding and trading of the Common Shares in uncertificated form, dematerialised depositary interests are issued by Capita IRG Trustees Limited (a subsidiary of the Company's registrars), which may be held and transferred through the CREST system. As a result of this, options over Common Shares to be granted under the UK Sharesave Scheme may be settled using such depositary interests.

### Takeover of the Company

In the event of a takeover, reconstruction or winding up of the Company, options may be exercised within six months of the change of control. Alternatively, options may be exchanged for new equivalent options over Common Shares in the acquiring company where appropriate.

### Variation of capital

In the event of any rights or capitalisation issue, subdivision, consolidation, reduction or other variation of share capital, the Board may make (subject to receiving prior approval of the HMRC) such adjustments as they consider appropriate to the number of Common Shares subject to options and/or the price payable on the exercise of options.

### Alterations to the UK Sharesave Scheme

The Company reserves the right up to the forthcoming Annual General Meeting to make such amendments and additions to the UK Sharesave Scheme as it considers appropriate or which may be necessary to obtain approval from HMRC, provided they do not conflict in any material respect with this summary of the rules.

Thereafter, the Board may alter the provisions of the UK Sharesave Scheme in any respect (subject to the approval of HMRC) provided that the prior approval of Shareholders in general meeting is obtained for alterations or additions to the advantage of participants relating to eligibility, limits on participation, the number of new Common Shares available under the Scheme, terms of exercise and adjustment of options.

The requirement to obtain the prior approval of Shareholders will not, however, apply in relation to any alteration or addition which is minor in nature and made to benefit the administration of the UK Sharesave Scheme, to comply with the provisions of any existing or proposed legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for the Company, any of its subsidiaries or for participants.

### Rest of the World Plan Addendum (the "ROW Addendum")

The UK Sharesave Scheme includes an ROW Addendum which is not approved by HMRC, which will enable the Directors to establish country-specific schemes to make awards to employees outside the UK and US on broadly similar economic terms to the UK Sharesave Scheme. The key features of the ROW Addendum are summarised below.

In so far as possible, the terms of any scheme established under the ROW Addendum will reflect those in the UK Sharesave Scheme (save for those specifically relating to UK HMRC requirements). However, such schemes may differ from the UK Sharesave Scheme in the following key respects:

- It may not be a requirement for participants to enter into a savings contract; and
- Awards may take the form of options over Common Shares, cash-settled stock appreciation rights or equity-settled stock appreciation rights.

Although the individual limit will apply to the ROW Addendum, it will be a requirement for the Board to consider reducing the individual limits to reflect the commercial circumstances of the particular country, the costs to the Company and the potential economic value to participants of each type of award (in particular where savings contracts are not being used).

To the extent that awards are to be satisfied using newly issued shares, they will count against the 10 per cent limits applicable to all Group employee share schemes.

### Overseas Employees

In addition to the ROW Addendum, the Board may establish further schemes to enable options to be granted to overseas employees on different terms so as to take account of relevant overseas tax, securities or exchange control laws provided that the options are not overall more favourable than the terms of options granted to other employees. Common Shares made available under any such scheme will count against the limit of 10 per cent applicable to all Group employee share schemes.

### Termination

The UK Sharesave Scheme may be terminated at any time by resolution of the Board or of the Company in general meeting and shall in any event terminate on the tenth anniversary of the date on which the UK Sharesave Scheme is adopted by the Company in general meeting. Termination will not affect the outstanding rights of participants.

### 2 Catlin Group Limited US Employee Stock Purchase Plan ("US ESPP")

The principal features of the Catlin Group Limited US Employee Stock Purchase Plan ("the US ESPP") are outlined below.

#### General

The US ESPP is designed to qualify under Section 423 of the Internal Revenue Code of 1986 (as amended).

Subject to shareholder approval of the US ESPP, it shall be effective as of 14 May 2008. It shall be administered by the Board or a duly authorised committee thereof.

#### Eligibility

All US employees of participating US subsidiaries of the Company with at least two years service must be entitled to participate. The Board may also permit employees with a shorter period of service to participate in the US ESPP.

It is intended that the first invitations to apply for options under the US ESPP will be made to all eligible employees who will have completed three months' service with the Company (or one of its subsidiaries) as of the first day of the first savings period offered under the US ESPP and these employees will also be eligible for any future invitations to apply for options. Thereafter, the Board will determine the basis upon which new employees will be offered future invitations to apply for options.

The participating US subsidiaries as of the effective date of the US ESPP will be Catlin Underwriting Inc. and Catlin Specialty Insurance Company.

# Appendix continued

## Savings agreement

To participate in the US ESPP, an eligible employee must enter into a savings agreement with the Company, thereby agreeing to make contributions of between US\$10 per month and 15 per cent of base salary (or such other maximum as may be determined by the Board in its discretion) for the Offering Period of not more than 27 months.

No participant shall have the right to purchase Common Shares with a value at grant of more than US\$25,000 in any calendar year.

## Scaling down

If at any time applications to participate exceed the number of Common Shares available under the Plan, the applications may be scaled back proportionally. Any funds that cannot be applied to the purchase of Common Shares will be refunded to the Participants (without interest).

## Option price

Options granted to acquire Common Shares under the US ESPP will have an option price determined by the Board, which will be not less than 85 per cent of the closing price of such Common Shares as derived from the London Stock Exchange Daily Official List for the last business day before the first day of the applicable Offering Period as specified in the employee invitation.

## Grant of options

The number of Common Shares over which options may be granted will, as nearly as possible be equal to, but not in excess of, that number of Common Shares which may be purchased out of the employee's savings at the option price.

Options may be granted at any time in the Board's discretion. It is anticipated that the first options will be granted within the six weeks following the date on which the US ESPP is adopted by the Company, subject to satisfaction of applicable securities filing requirements in the US. Thereafter, it is anticipated that options will be granted in the six weeks following the announcement by the Company of its results for any period, or following a change in applicable US law or regulations where there are circumstances considered by the Committee to be exceptional.

No options may be granted later than ten years after the approval of the US ESPP by shareholders.

No payment will be required for the grant of an option. Options will not be taken into account in determining a participant's pension rights under a defined benefit pension scheme, or the employer's contributions to a defined contributions scheme. Options are not transferable (other than on death in which case they may be exercised by a participant's personal representatives).

## Number of Common Shares available under the Plan

A total of 2,500,000 Common Shares are available for awards made under the US ESPP.

## Exercise of options

Unless a participant has ceased to be an eligible employee under the US ESPP or has otherwise withdrawn from participation in the US ESPP, the participant will be deemed to have exercised automatically his right to purchase Common Shares on the Purchase Date which will be the last day of the Offering Period.

As soon as practicable following cessation of a Participant's employment, his payroll contributions shall cease and all amounts not

previously applied to purchase Common Shares will be refunded to him (without interest). If such cessation is not entered into the Company's payroll system in sufficient time to prevent the purchase of Common Shares on the next Purchase Date, the purchase of Common Shares will go through and any remaining amount will be refunded to the Participant (without interest).

Options may be satisfied by the issue of new Common Shares or by the transfer of existing Common Shares.

## Rights attaching to Common Shares

All Common Shares allotted or transferred under the US ESPP will rank *pari passu* with all other common shares of the Company for the time being in issue (save as regards any rights attaching to such Common Shares by reference to a record date prior to the date of allotment or transfer) and the Company will apply for any new Common Shares issued under the US ESPP to be admitted to the Official List.

Common Shares are not capable of being settled directly within the usual UK settlement systems (i.e. CREST). Therefore in order to facilitate the holding and trading of the Common Shares in uncertificated form, dematerialised depositary interests are issued by Capita IRG Trustees Limited (a subsidiary of the Company's registrars), which may be held and transferred through the CREST system. As a result of this, options over Common Shares to be granted under the US ESPP may be settled using such depositary interests.

## Adjustments

In the event of any capitalisation issue, any offer or invitation made by way of rights issue, subdivision, consolidation, reduction or any other variation in the share capital of the Company, the Board (or its successor) may make such adjustment, if any, as it deems appropriate in the number, kind and purchase price of the Common Shares available for purchase under the Plan and in the maximum number of Common Shares subject to any purchase right under the Plan.

## Alterations to the US ESPP

The Company reserves the right up to the forthcoming Annual General Meeting to make such amendments and additions to the US ESPP as it considers appropriate, provided they do not conflict in any material respect with this summary of the rules.

Thereafter, the Board may alter the provisions of the US ESPP in any respect provided that the prior approval of Shareholders is obtained to the extent required by applicable securities or tax law, regulations or the UK Listing Rules.

The requirement to obtain the prior approval of Shareholders will not, however, apply in relation to any alteration or addition which is minor in nature and made to benefit the administration of the US ESPP, to comply with the provisions of any existing or proposed legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for the Company, any of its subsidiaries or for participants.

## Termination

The US ESPP may be terminated at any time by resolution of the Board or by action of a duly authorised officer of the Company. If the US ESPP is terminated, the Board may, in its discretion, elect to terminate all outstanding purchase rights either immediately or upon completion of the purchase of Common Shares on the next Purchase Date. Any funds which are not applied to the purchase of Common Shares will be refunded to the Participants (without interest).

# Notice of Annual General Meeting

## Notice of Annual General Meeting

Notice is hereby given that the 2008 Annual General Meeting of Catlin Group Limited (the "Company") will be held at Company's head office, Cumberland House, 6th Floor, 1 Victoria Street, Hamilton HM11, Bermuda at 12.00 pm (Bermuda time) on Wednesday 14 May 2008 for the following purposes:

- 1 To receive the Annual Report and Accounts for the year ended 31 December 2007;
- 2 To approve the Directors' Remuneration Report set out on pages 69 to 75 of the Company's 2007 Annual Report and Accounts;
- 3 To re-appoint PricewaterhouseCoopers LLP as auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next general meeting of the Company at which the statutory accounts are laid;
- 4 To authorise the Board to establish the auditors' remuneration;
- 5 To declare, as recommended by the Board, a final dividend for the year ended 31 December 2007 of 17 pence (33.8 cents) per common share payable on 23 May 2008 to all shareholders on the share register at the close of business on 25 April 2008;
- 6 To re-elect Sir Graham Hearne, who retires by rotation, as a Director of the Company;
- 7 To re-elect Mr Alan Bossin, who retires by rotation, as a Director of the Company;
- 8 To re-elect Mr Michael Eisenson, who retires by rotation, as a Director of the Company;

The Meeting will also consider, and if thought fit, pass the following resolutions, of which Resolutions 9 to 12 (inclusive) will be proposed as ordinary resolutions and Resolutions 13 and 14 will be proposed as special resolutions:

- 9 THAT the Directors be generally and unconditionally authorised in accordance with the Company's Bye-Laws and the Bermuda Companies Act (1981) to allot Relevant Securities in the Company (within the meaning of Bye-Law 5.3 of the Company's Bye-Laws) up to a further aggregate nominal amount of US\$844,732 with such authority to expire the earlier of 15 months from the date of passing this resolution and the end of the next Annual General Meeting (save that the Company may before such expiry make any offer or agreement which would or might require Relevant Securities to be allotted after such expiry and the Directors may allot Relevant Securities in pursuance of any such offer or agreement as if the authority conferred hereby had not expired);
- 10 THAT:
  - (i) the rules of the Catlin Group Limited Savings-Related Share Option Scheme ('the UK Sharesave Scheme'), the principal features of which are summarised in the Appendix to the Company Secretary's letter contained in the Circular dated 17 March 2008 (a draft of which is produced to the meeting and initialled by the Chairman for the purposes of identification), be and are hereby approved and adopted and the Directors of the Company be and are hereby authorised to make such amendments to the UK Sharesave Scheme as may be necessary to obtain HM Revenue & Customs approval to the same and to do all things necessary or expedient to carry the UK Sharesave Scheme into effect; and
  - (ii) subject to the rules of the UK Sharesave Scheme, the Directors of the Company be and are hereby authorised to make such alteration or addition to the UK Sharesave Scheme as may be necessary in order to benefit the administration of the UK Sharesave Scheme at any time.
- 11 THAT:
  - (i) the rules of the Catlin Group Limited US Employee Stock Purchase Plan ('the US ESPP'), the principal features of which are summarised in the Appendix to the Company Secretary's letter contained in the Circular dated 17 March 2008 (a draft of which is produced to the meeting and initialled by the Chairman for the purposes of identification), be and are hereby approved and adopted and the Directors of the Company be and are hereby authorised to make such amendments to the US ESPP as may be necessary to comply with Section 423 of the Internal Revenue Code and to do all things necessary or expedient to carry the US ESPP into effect; and
  - (ii) subject to the rules of the US ESPP, the Directors of the Company be and are hereby authorised to make such alteration or addition to the US ESPP as may be necessary in order to benefit the administration of the US ESPP at any time.
- 12 THAT Rule 4.1 of the Company's Performance Share Plan ('PSP') be and is hereby amended so as to read as follows:
 

"Subject to such adjustments as may be made in accordance with Rule 14 [Capital Reorganisations] below, no Award may be granted under the Plan on any Date of Grant or proposed Date of Grant if, as a result, the total number of new Shares issued or committed to be issued pursuant to Awards made under the Plan and pursuant to grants or appropriations made after Admission during the ten years preceding such Date of Grant under all other Employees' Share Schemes would exceed ten per cent. of the issued common share capital of the Company on that Date of Grant."
- 13 THAT, subject to and conditional upon the passing of Resolution 9, the authority granted pursuant to Resolution 9 may be exercised by the Directors as if Bye-Law 6 of the Company's Bye-Laws (Pre-emption Rights) did not apply and, if relevant, the Directors be authorised to sell shares in the Company for cash if immediately before the sale such shares are held by the Company as treasury shares, as if Bye-Law 6 did not apply, provided that such authorisation shall be limited to the allotment of Equity Securities (as defined in Bye-Law 6 of the Company's Bye-Laws) or sale of treasury shares:
  - (i) in connection with a rights issue or other offer in favour of common shareholders and holders of any other class of equity securities where the Equity Securities are proportionate (as nearly as practicable) to the respective number of common shares and any other class of equity securities held by such holders but subject to such exclusions or other arrangements as the Directors may deem necessary or desirable in relation to fractional entitlements or legal or practical problems arising in, or pursuant to, the laws of any territory or the requirements of any regulatory body or stock exchange in any territory, and

# Notice of Annual General Meeting continued

- (ii) otherwise than pursuant to paragraph (i) of this resolution, up to an aggregate nominal amount US\$126,710; such authority to expire the earlier of 15 months from the date of passing this resolution and the end of the next Annual General Meeting (save that the Company may before such expiry make any offer or agreement which would or might require Equity Securities to be allotted after such expiry and the Directors may allot Equity Securities in pursuance of any such offer or agreement as if the authority conferred hereby had not expired); and
- 14 THAT the Company be generally and unconditionally authorised to make market purchases (pursuant to Bermuda Companies Act Section 42A) of any of its common shares of \$0.01 each ('Common Shares'), provided that:
- (i) the maximum number of Common Shares hereby authorised to be purchased is 25,341,959 representing approximately 10 per cent of the issued share capital of the Company at 14 March 2008;
  - (ii) the minimum price that may be paid for each Common Share is \$0.01, exclusive of the expenses of purchase;
  - (iii) the maximum price that may be paid for each Common Share is an amount equal to 105 per cent of the average of the middle market quotations for the Common Shares of the Company as derived from the Daily Official List of the London Stock Exchange plc for the five business days immediately preceding the day on which such share is contracted to be purchased, exclusive of the expenses of purchase;
  - (iv) unless previously revoked or varied the authority hereby conferred shall expire on 13 May 2009; and
  - (v) the Company may, before the expiry of this authority, conclude a contract to purchase Common Shares which will or may be executed wholly or partly after such expiry and may make a purchase of Common Shares pursuant to any such contract, as if such authority had not expired.

By Order of the Board

**Daniel Primer**  
Company Secretary  
17 March 2008

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

## Notes

### 1 Holders of Common Shares

Only holders of Common Shares in certificated form 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 on a poll to vote) instead of the shareholder. Forms of proxy need to be completed, signed and lodged with Capita Registrars, The Registry, 34 Beckenham Road, Kent BR3 4TU, United Kingdom, no later than 48 hours before the time of the meeting (together with the original or notarially certified copy of any power of attorney or other power under which it is executed). Completion of a form of proxy will not preclude a member attending and voting in person at the meeting. A form of proxy is enclosed.

### 2 Holders of depositary interests

If you hold depositary interests representing common shares, by completing the form of proxy you will be instructing Capita IRG Trustees Limited, the Depositary, to vote on your behalf at the meeting, either in person or by proxy. If you wish to instruct the Depositary (other than electronically using CREST), you must lodge the completed form with Capita Registrars, The Registry, 34 Beckenham Road, Kent BR3 4TU, United Kingdom, during normal business hours) no later than 5.00 pm (BST) on 9 May 2008 (together with the original or notarially certified copy of any power of attorney or other power under which it is executed). A form of proxy is enclosed.

Alternatively depositary interest holders may instruct the Depositary how to vote utilising 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 the issuer's agent RA10 by 5:00pm on 9 May 2008. 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.

### 3 Documents on display

Copies of the following documents will be available for inspection during normal business hours from the date of this notice until the date of the Annual General Meeting at the Company's registered office and at Catlin Holdings Limited, 3 Minster Court, Mincing Lane, London EC3R 7DD as well as at the place of the Annual General Meeting for at least 15 minutes prior to and during the meeting:

- (a) the register of Directors' interests in the share capital of the Company;
- (b) copies of service agreements and letters of appointment under which Directors of the Company are employed or serve;
- (c) the proposed rules of the Catlin Group Limited Savings-Related Share Option Scheme;
- (d) the proposed rules of Catlin Group Limited US Employee Stock Purchase Plan; and
- (e) the amended rules of the Catlin Group Limited Performance Share Plan.

### 4 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 register of members by no later than 4.00 pm (BST) on 12 May 2008, being 48 hours before the time fixed for the 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.