

## **THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**If you are in any doubt as to what action you should take, you should consult your stockbroker, solicitor, accountant or other professional adviser duly authorised under the Financial Services and Markets Act 2000 if you are a resident in the UK or, if not, from another appropriately authorised independent financial adviser in your own jurisdiction.**

If you have sold or transferred, or otherwise disposed of, all your Common Shares in Catlin Group Limited, please pass this circular and the accompanying Form of Proxy or Form of Direction to the stockbroker, bank or other agent through whom you made the sale, transfer or disposal, for transmission to the purchaser or transferee, except that such documents should not be sent to any jurisdiction under any circumstances where to do so might constitute a violation of local securities laws and regulations. If you have sold or transferred, or otherwise disposed of, only part of your holding of Common Shares in Catlin Group Limited, you should retain this circular and accompanying Form of Proxy or Form of Direction and consult the stockbroker, bank or other agent through whom you made the sale, transfer or disposal.

The attention of Shareholders is drawn to the Notice convening a Special General Meeting of the Company which appears at the end of this circular and the accompanying Form of Proxy or Form of Direction. The attention of Shareholders is also drawn to the Chairman's Letter as set out in Part 1 of this circular recommending you to vote in favour of the Resolutions set out in the Notice.

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# **Catlin Group Limited**

(incorporated and registered in Bermuda under registration number 26680)

Circular to Shareholders relating to a proposed 2 for 5 Rights Issue at 205 pence per New Common Share and a Notice of Special General Meeting

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### **THIS CIRCULAR DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO SUBSCRIBE FOR, THE NIL PAID RIGHTS, THE NEW COMMON SHARES OR THE NEW DEPOSITARY INTERESTS IN ANY JURISDICTION.**

This is not a prospectus but a shareholder circular. The Prospectus containing details of the Rights Issue (including details of Nil Paid Rights and the New Common Shares to be offered pursuant to the Rights Issue) has been posted to Shareholders (other than, subject to certain exceptions, Restricted Shareholders). Investors should not subscribe for any Nil Paid Rights, New Common Shares or New Depositary Interests referred to in this circular except on the basis of the information, and the terms and conditions of the Rights Issue, contained in the Prospectus and, in the case of Qualifying Shareholders, the Provisional Allotment Letter. The distribution of this circular into any jurisdiction other than the United Kingdom may be restricted by law. Persons into whose possession this circular and/or the accompanying Form of Proxy or Form of Direction comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

JPMorgan Cazenove Limited, J.P. Morgan Securities Ltd. and UBS Limited are acting for Catlin and are acting for no one else in connection with the Rights Issue and will not be responsible to anyone other than Catlin for providing the protections afforded to their respective clients, nor for providing advice in connection with the Rights Issue or any other matter referred to herein.

Apart from the responsibilities and liabilities, if any, which may be imposed on JPMorgan Cazenove Limited, J.P. Morgan Securities Ltd. or UBS Limited by FSMA or the regulatory regime established thereunder, none of JPMorgan Cazenove Limited, J.P. Morgan Securities Ltd. and UBS Limited accept any responsibility whatsoever and make no representation or warranty, express or implied, for the contents of this document including its accuracy, completeness or verification or for any other statement made or purported to be made by any of them, or on behalf of them, in connection with the Company, the New Common Shares, the New Depositary Interests or the Rights Issue and nothing in this document is or shall be relied upon as a promise or representation in this respect, whether as to the past or future. JPMorgan Cazenove Limited, J.P. Morgan Securities Ltd. and UBS Limited accordingly disclaim all and any liability whatsoever, whether arising in tort, contract or otherwise (save as referred to above) which any of them might otherwise have in respect of this document.

### **Notice to Restricted Shareholders**

Subject to certain exceptions, Restricted Shareholders are not eligible to participate in the Rights Issue and there will be no offer of Nil Paid Rights and the Prospectus and the Provisional Allotment Letter will not be sent or otherwise distributed to any Restricted Shareholder.

The Nil Paid Rights, the Provisional Allotment Letters, the New Common Shares and the New Depositary Interests have not been, and will not be, registered under the US Securities Act of 1933, as amended, or under any relevant securities laws of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. None of the Nil Paid Rights, the Provisional Allotment Letters, the New Common Shares and the New Depositary Interests may be offered or sold in any other Excluded Territory absent registration or an applicable exemption from the registration requirements of the relevant laws of such Excluded Territory. There will be no public offer of the Nil Paid Rights, the Provisional Allotment Letters, the New Common Shares or the New Depositary Interests in the United States or any other Excluded Territory.

Notice of a Special General Meeting of Catlin to be held at Cumberland House, 6th floor, 1 Victoria Street, Hamilton, HM11, Bermuda at 11.00 a.m. (Bermuda time) on 9 March 2009, together with a Form of Proxy (for Qualifying Shareholders) for use at the Special General Meeting or a Form of Direction (for Qualifying Depositary Interest Holders) for use prior to the Special General Meeting, accompany this document. To be valid, a Form of Proxy should be completed and returned, in accordance with the instructions printed on it, to Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and, in any event, so as to arrive no later than 3.00 p.m. on 7 March 2009. The return of a completed Form of Proxy shall not prevent a Qualifying Shareholder from attending the Special General Meeting and voting in person, if such a holder of Common Shares wishes and is so entitled. Qualifying Depositary Interest Holders wishing to vote on the Resolutions are required to instruct the Depositary to vote on their behalf, either in person or by proxy, in accordance with the Form of Direction enclosed, which must be received by Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and, in any event, so as to arrive no later than 3.00 p.m. on 6 March 2009.

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### Expected Timetable — Key Dates\*

Rights Issue Record Date .....	5.00 p.m. on 6 March 2009
Latest time and date for receipt of Forms of Direction . . .	3.00 p.m. on 6 March 2009
Latest time and date for receipt of Forms of Proxy . . . .	3.00 p.m. on 7 March 2009
Special General Meeting .....	11.00 a.m. (Bermuda time) on 9 March 2009
Dealings in Nil Paid Rights, commences .....	8.00 a.m. on 11 March 2009
Latest time and date of acceptance under the Rights Issue. ....	11.00 a.m. on 25 March 2009
Dealings in New Common Shares, fully paid, commences .....	8.00 a.m. on 26 March 2009

#### Notes:

\* A full timetable of events in connection with the Rights Issue is set out in the Prospectus. Only the key dates in relation to the Special General Meeting and the Rights Issue are set out in this circular.

1. Each of the times and dates set out in the above timetable and mentioned in this document and in any other document issued in connection with the Rights Issue is subject to change by the Company (with the agreement of the Banks), in which event details of the new times and dates will be notified to the UKLA Listing Authority, a Regulatory Information Service and, where appropriate, to Shareholders.
2. References to times in this document are to London times, unless otherwise specified.
3. The timing and occurrence of each of the principal events which are listed above and which follow the Special General Meeting are dependent upon, and subject to, the approval of all of the Resolutions to be considered at the Special General Meeting.

#### Security Holder Helpline

If you have further questions, please telephone the Security Holder Helpline on the numbers set out below.

From inside the UK: 0871 664 0321

From outside the UK: +44 208 639 3399

The Security Holder Helpline is available from 9.00 a.m. to 5.30 p.m. on any Business Day.

Calls to the 0871 664 0321 number cost 10 pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at the applicable international rate. Calls from mobile telephones may be higher. Calls may be recorded and randomly monitored.

Please note that, for legal reasons, the Security Holder Helpline will only be able to provide information contained in this document and information relating to Catlin's register of members and will be unable to give advice on the merits of the Rights Issue or to provide financial, tax or investment advice.

## PART 1

# CATLIN

## Chairman's Letter

### CATLIN GROUP LIMITED

*(Incorporated and registered in Bermuda under registration number 26680)*

#### **Directors:**

Sir Graham Hearne  
Stephen Catlin  
Christopher Stooke  
Alan Bossin  
Michael Crall  
Jean Claude Damerval  
Michael Eisenson  
Kenneth Goldstein  
Michael Harper  
Michael Hepher  
Nicholas Lyons

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

12 February 2009

**Dear Shareholder**

#### **PROPOSED RIGHTS ISSUE AND NOTICE OF SPECIAL GENERAL MEETING**

### **1. Introduction**

We announced on 12 February 2009 that the Company proposes to raise approximately £200 million<sup>1</sup> (net of expenses) by way of a Rights Issue of up to 106,643,145 New Common Shares at 205 pence per New Common Share on the basis of 2 New Common Shares for every 5 Existing Common Shares. The Rights Issue is conditional upon the matters set out in section 3 of this letter.

The purpose of this document is to provide Shareholders with details of the Rights Issue, and to explain why the Directors consider the Rights Issue to be in the best interests of the Company and its Shareholders as a whole and to recommend that you vote in favour of the Resolutions to be proposed at the Special General Meeting, notice of which is set out at the end of this document.

### **2. Reasons for the Rights Issue and use of proceeds**

The Directors believe that the current market environment offers good opportunities for Catlin. Whilst the loss of capital for the market as a whole has been significant and is resulting in a hardening market, Catlin produced an approximate break-even result even after allowing for a significant level of unrealised losses on its investment portfolio.

2008 was a challenging year for the insurance industry. The global economic turmoil caused many insurers worldwide to report sharp declines in investment returns and, in some cases, capital erosion. In addition, 2008 also saw an increased level of insured losses. The first half of the year saw a high level of 'single risk' losses, both weather-related and man-made, whilst Hurricane Ike in September 2008 caused an estimated US\$19 billion in total damage, making it the fourth most costly hurricane to affect the United States according to the National Hurricane Centre. 2008 was the second costliest year on record in terms of insured catastrophe losses, according to Swiss Re.

<sup>1</sup> The proceeds are based on the 255,166,529 existing Common Shares currently in issue and the assumption that: (i) no options are exercised under the Catlin Share Schemes and no warrants are exercised which result in the issue of further Common Shares between 11 February 2009 and 6 March 2009 (inclusive), being the latest practicable date prior to publication of this document and the expected record date for the Rights Issue; and (ii) all resolutions are passed in the Special General Meeting.

Altogether, it is estimated that US property/casualty insurers alone have lost US\$55 billion to US\$75 billion in capital during 2008 as a result of investment-related losses. In addition, property/casualty insurers and reinsurers worldwide sustained US\$50 billion in catastrophe-related losses in 2008.

These factors, combined with the extreme financial difficulties faced by some major competitors, have already caused the property/casualty reinsurance market to harden. Guy Carpenter's Global Reinsurance Review January 2009 noted that its global rate on line index, which measures global property reinsurance pricing, increased by 8 per cent. after two years of substantial declines.

Catlin has a proven record of raising and deploying capital profitably in a hard market. For example, following 2002, when Catlin raised US\$482 million in private equity capital, Catlin's gross premiums written increased by 98 per cent. between 2002 and 2004 with a return on average equity of approximately 22 per cent. in 2003 and 19 per cent. in 2004.

It is likely that the companies which will prosper in the new market environment will have a strong underwriting track record, a broad distribution capability and will be well capitalised. The extreme difficulties experienced by many of the leading market players are expected to lead to an increase in the use of the subscription market to place risk as parties become more cautious about insuring their risks with single entities. Against this background, the syndicated Lloyd's market is expected to benefit, due to the worldwide strength of the Lloyd's brand, its strong financial strength ratings and its position as a major player in the US surplus lines insurance market that could benefit from the financial problems suffered in the past year by other large participants.

Following the acquisition of Wellington Underwriting plc in 2006, Catlin owned the largest syndicate at Lloyd's in 2007, based on underwriting capacity. In addition, it operates through three other underwriting platforms and more than 40 offices worldwide.

The Directors believe that Catlin is one of the insurers/reinsurers which is well-positioned to take advantage of the hard market through its:

- breadth of service. Catlin has underwriting teams in place which write more than 30 classes of business, nearly all with lead capabilities;
- technical approach to underwriting management and pricing;
- broad geographic reach; and
- efficient capital structure, focused on a Bermuda reinsurer which has been operating since 2002, with capital deployed in well-established underwriting platforms at Lloyd's, in the UK and in the US as necessary.

Catlin aims to be well positioned financially to exploit the improving market conditions, to take greater advantage of its distribution network, to increase on a selective basis its risk appetite in high-margin areas and to acquire underwriting teams.

Catlin maintains its financial target of achieving a weighted average return on equity that is ten percentage points greater than the risk-free rate over a cycle.

Catlin's current capital resources are sufficient to fund its existing embedded growth. However, with a structural change in the market now under way, it is appropriate for Catlin to raise permanent capital to take advantage of the sustainable opportunities it sees ahead. The proceeds of the Rights Issue will build an economic capital buffer of 15 to 20 per cent. for the opportunities which are emerging. Catlin sees the potential for gross written premium growth of approximately US\$1 billion through 2011. This growth is expected to gather momentum in the period to 2011 against the backdrop of an attractive rating environment and using Catlin's existing infrastructure.

The proceeds of the Rights Issue, which will raise approximately £200 million<sup>2</sup> (net of expenses), will be invested by the Company following its investment guidelines. Catlin expects that the whole of the net proceeds of the Rights Issue will be eligible as capital for underwriting purposes and it will be deployed when suitable underwriting opportunities arise.

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2 The proceeds are based on the 255,166,529 existing Common Shares currently in issue and the assumption that: (i) no options are exercised under the Catlin Share Schemes and no warrants are exercised which result in the issue of further Common Shares between 11 February 2009 and 6 March 2009 (inclusive), being the latest practicable date prior to publication of this document and the expected record date for the Rights Issue; and (ii) all resolutions are passed in the Special General Meeting.

### **3. Summary of the principal terms of the Rights Issue**

Subject to fulfilment of the conditions set out below, the New Common Shares are being offered by way of rights to all Qualifying Shareholders (other than, subject to certain exceptions, Restricted Shareholders) on the following basis:

#### **2 New Common Shares at 205 pence each for every 5 Existing Common Shares**

held and registered in their name at the close of business on the Record Date. Entitlements to New Common Shares will be rounded down to the nearest whole number. Fractions of New Common Shares will not be allotted to any Qualifying Shareholders, but will be aggregated and sold in the market ultimately for the benefit of the Company. Qualifying Shareholders with fewer than 3 Existing Common Shares will not be entitled to any New Common Shares. The New Common Shares will rank for all dividends (with the exception of the 2008 final dividend) declared, made or paid after the date of allotment and issue of the New Common Shares and otherwise *pari passu* with the Existing Common Shares.

The Issue Price of 205 pence per New Common Share represents a 47.27 per cent. discount to the Closing Price of an Existing Common Share of 389 pence on 11 February 2009 (being the latest practicable date prior to the publication of this document) and a 35.58 per cent. discount to the theoretical ex-rights price based on that Closing Price. If a Qualifying Shareholder does not take up the offer of New Common Shares, his proportionate shareholding will be diluted by 28.57 per cent.

The Company has arranged for the Rights Issue to be underwritten to provide certainty as to the amount of capital to be raised. Such underwriting relates to all New Common Shares to be offered under the Rights Issue other than those offered in respect of Common Shares that (a) are in issue at the close of business on the Record Date but (b) are not comprised within the 255,166,529 Common Shares currently in issue. Prior to Admission, the underwriters may terminate the underwriting agreement in certain circumstances. After Admission, however, the underwriting agreement will not be subject to any right of termination (including in respect of any statutory withdrawal rights).

The Rights Issue is conditional upon:

- (A) the passing of the Resolutions at the Special General Meeting;
- (B) Admission becoming effective by not later than 8.00 a.m. on 11 March 2009 (as the second Dealing Day after the date of the Special General Meeting) or such later time and/or date (being not later than 16 March 2009) as the Company and the underwriters to the Rights Issue may agree;
- (C) the Company having applied to Euroclear UK & Ireland Limited for admission of the New Depository Interests to CREST as participating securities and no notification having been received before Admission that the same will be refused; and
- (D) the underwriting agreement otherwise becoming unconditional in all respects and not having been terminated prior to Admission.

Application will be made to the UK Listing Authority and the London Stock Exchange for Admission of the New Common Shares, nil paid, to take place on 11 March 2009. Application will also be made to Euroclear UK & Ireland Limited for the Nil Paid Rights to be admitted as separate participating securities within CREST.

Subject to certain exceptions, Restricted Shareholders are not eligible to participate in the Rights Issue and there will be no offer of Nil Paid Rights and the Prospectus and the Provisional Allotment Letter will not be sent or otherwise distributed to any Restricted Shareholder. Restricted Shareholders are, however, entitled to vote on the Resolutions to be proposed at the Special General Meeting.

Where an entitlement to New Common Shares or New Depository Interests is not taken up by a Restricted Shareholder, any premium over the aggregate of the Issue Price and the expenses of procuring acquirers shall be paid to such Restricted Shareholders pro rata to the relevant lapsed provisional allotments, save that no payment will be made of amounts less than £5.00, which amounts shall be aggregated and paid to the Company.

### **4. The Special General Meeting**

You will find at the end of this circular a notice convening the Special General Meeting to be held at 11.00 a.m. (Bermuda time) on 9 March 2009 at Cumberland House, 6th floor, 1 Victoria Street, Hamilton,

HM11, Bermuda. A summary and explanation of the Resolutions to be proposed at the Special General Meeting is set out below.

### **Resolution 1 — To increase the Company's authorised share capital**

The Company seeks Shareholder approval by way of an ordinary resolution, to increase the Company's authorised, but unissued share capital by the creation of a further 100,000,000 new Common Shares, which will represent an increase of 25 per cent. in the authorised share capital of the Company as at 11 February 2009, being the latest practicable date prior to the date of this circular. If approved by Shareholders, this will create additional share capital to be issued as part of the Rights Issue and allow the Company to retain sufficient authorised, but unissued, share capital for general purposes following the Rights Issue.

### **Resolution 2 — To authorise the Directors to allot the new Common Shares**

The Company seeks Shareholder approval, by way of an ordinary resolution, to authorise the Directors to allot the New Common Shares created by the passing of Resolution 1 and, if approved by Shareholders, will allow the Directors sufficient authority to allot Common Shares for general purposes. The maximum aggregate nominal amount of Common Shares which the Company proposes to allot represents 46.67 per cent. of the total issued share capital of the Company as at 11 February 2009, being the latest practicable date prior to the date of this circular. This authority, if approved by Shareholders, will expire at the conclusion of the Company's Annual General Meeting in 2009.

### **Resolution 3 — To disapply pre-emption rights**

The Company seeks Shareholder approval, by way of a special resolution, to give the Directors the authority to allot Common Shares for cash without the need to first offer such Common Shares to existing Shareholders. The proposed limit on the nominal value of Common Shares that may be allotted otherwise than in conjunction with the Rights Issue is \$178,617, which represents 7 per cent. of the issued share capital of the Company as at 11 February 2009, being the latest practicable date prior to the date of this circular. This authority, if approved by Shareholders, will expire at the conclusion of the Company's Annual General Meeting in 2009.

## **5. Action to be taken**

5.1 Shareholders will find enclosed with this document a Form of Proxy for use at the Special General Meeting. Whether or not you intend to be present at the Special General Meeting, you are requested to complete, sign and return the Form of Proxy in accordance with the instructions provided on it to Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, as soon as possible and, in any event, so as to arrive no later than 3.00 p.m. on 7 March 2009. Completion and return of the Form of Proxy will not affect your right to attend and vote in person at the Special General Meeting.

5.2 Depositary Interest Holders will find enclosed with this document a Form of Direction which you may use to instruct the Depositary to vote the number of Common Shares in the Company represented by your Depositary Interests in a certain way in relation to the Resolutions. You are requested to complete, sign and return the Form of Direction in accordance with the instructions provided on it to Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, as soon as possible and, in any event, so as to arrive no later than 3.00 p.m. on 6 March 2009.

5.3 If you are in any doubt what action you should take, you should immediately seek your own financial advice from your stockbroker, bank manager, solicitor or other independent professional adviser duly authorised under FSMA who specialises in advice on the acquisition of shares and other securities. The Board's recommendation for the action you should take is set out in section 7 below.

## **6. Intentions of directors**

The Directors who hold Existing Common Shares in the capital of the Company each intend to vote in favour of all of the Resolutions to be proposed at the Special General Meeting of the Company to be held on 9 March 2009 and which are set out in full in the Notice of Special General Meeting set out at the end of this document.

## **7. Recommendation**

The Directors believe that the passing of the Resolutions and completion of the Rights Issue, for the purpose of raising funds which may be used by the Company in the future, is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends unanimously that Shareholders vote in favour of all Resolutions to be proposed at the Special General Meeting of the Company to be held on 9 March 2009.

Yours faithfully

A handwritten signature in black ink, appearing to read "Graham Hearne", written over a horizontal line.

**Sir Graham Hearne**  
*Chairman*

## PART 2

### DEFINITIONS

The definitions set out below apply throughout this document, unless the context requires otherwise.

<b>“Admission”</b>	the admission of the New Common Shares to the Official List in accordance with the Listing Rules and to trading on the London Stock Exchange’s main market for listed securities in accordance with the Admission and Disclosure Standards;
<b>“Board”</b>	the board of directors of the Company from time to time;
<b>“Business Day”</b>	any day on which banks are generally open in London for the transaction of business other than a Saturday or Sunday or public holiday;
<b>“Bye-laws”</b>	the bye-laws of the Company, as amended from time to time;
<b>“Catlin” or “the Company”</b>	Catlin Group Limited, a company incorporated and registered in Bermuda under registration number 26680 and whose registered office is at Canon’s Court, 22 Victoria Street, Hamilton HM12, Bermuda;
<b>“Catlin Group” or “the Group”</b>	the Company together with its subsidiaries and subsidiary undertakings;
<b>“Catlin Share Schemes”</b>	the Catlin Group Limited Long Term Incentive Plan, the Catlin Group Limited Performance Share Plan, the Catlin Group plc Share Option Plan, the Catlin Group Limited Savings-Related Share Option Scheme and the Catlin Group Limited US Employee Stock Purchase Plan;
<b>“Common Shares”</b>	the common shares of \$0.01 each in the capital of Catlin;
<b>“Shareholders”</b>	the holders of Common Shares and/or, as the context may permit, holders of Depositary Interests;
<b>“Closing Price”</b>	the middle market quotation as derived from the London Stock Exchange Daily Official List;
<b>“CREST”</b>	the system for the paperless settlement of trades in securities and the holding of uncertificated securities in accordance with the Euroclear Regulations operated by Euroclear;
<b>“Daily Official List”</b>	the daily official list of the London Stock Exchange;
<b>“Dealing Day”</b>	a day upon which dealings in domestic securities may take place on and with the authority of the London Stock Exchange;
<b>“Depositary”</b>	Capita IRG Trustees Limited;
<b>“Depositary Interests” or “DIs”</b>	the dematerialised depositary interests issued or to be issued by the Depositary in respect of, and representing on a one-for-one basis, Common Shares;
<b>“Depositary Interest Holders”</b>	the holders of Depositary Interests;
<b>“Director”</b>	a director of the Company;
<b>“Excluded Territories”</b>	the United States, Canada, South Africa, New Zealand, Australia, Japan and any other jurisdiction where the extension or the availability of the Rights Issue (and any transaction contemplated thereby) would breach any applicable law or regulation;
<b>“Existing Common Shares”</b>	the Common Shares in issue as at the date of this document;
<b>“Existing Depositary Interests”</b>	the Depositary Interests in issue as at the date of this document;

<b>“Form of Direction”</b>	the Form of Direction for use in connection with the Special General Meeting;
<b>“Form of Proxy”</b>	the Form of Proxy for use in connection with the Special General Meeting;
<b>“FSA” or “Financial Services Authority”</b>	the Financial Services Authority of the United Kingdom;
<b>“Issue Price”</b>	205 pence per New Common Share;
<b>“Listing Rules”</b>	the listing rules and regulations made by the UK Listing Authority;
<b>“London Stock Exchange”</b>	London Stock Exchange plc;
<b>“New Common Shares”</b>	up to 106,643,145 Common Shares to be offered by the Company pursuant to the Rights Issue;
<b>“New Depositary Interests”</b>	the Depositary Interests to be issued by the Depositary following take-up of rights to acquire Depositary Interests by Qualifying Depositary Interest Holders in connection with the Rights Issue;
<b>“Nil Paid Rights”</b>	depending on the context, (a) the rights to subscribe for New Common Shares provisionally allotted to Qualifying Shareholders pursuant to the Rights Issue, or (b) the rights to subscribe for New Depositary Interests credited to the CREST account of Qualifying Depositary Interest Holders in connection with the Rights Issue;
<b>“Official List”</b>	the Official List maintained by the UK Listing Authority;
<b>“Pounds” or “£” or “Pounds Sterling”</b>	the lawful currency of the United Kingdom;
<b>“Prospectus”</b>	a prospectus published in connection with the Rights Issue by the Company dated 12 February 2009;
<b>“Provisional Allotment Letter”</b>	the provisional allotment letter issued to Qualifying Shareholders;
<b>“Qualifying Depositary Interest Holders”</b>	holders of Existing Depositary Interests on the register of such holders maintained in the UK on behalf of the Depositary on the Record Date;
<b>“Qualifying Shareholders”</b>	holders of Existing Common Shares on the register of members of the Company on the Record Date;
<b>“Record Date”</b>	5.00 p.m. on 6 March 2009;
<b>“registered address”</b>	the address of a holder of Common Shares as set out in the register of members of the Company, or the address of a holder of Depositary Interests as set out in the register of such holders maintained in the UK on behalf of the Depositary;
<b>“Registrars”</b>	Capita Registrars (Jersey) Limited;
<b>“Resolutions”</b>	the resolutions to be considered and, if thought fit, approved at the Special General Meeting and as set out in the Notice of Special General Meeting at the end of this document;
<b>“Restricted Shareholders”</b>	Qualifying Shareholders or, as the context may require, Qualifying Depositary Interest Holders with registered addresses in, or who are citizens, residents or nationals of the Excluded Territories;
<b>“Rights Issue”</b>	the offer by the Company by way of rights to Qualifying Shareholders (other than, subject to certain exceptions, Restricted Shareholders to acquire New Common Shares, on the terms and

	conditions set out in this document and the Provisional Allotment Letter;
<b>“Securities Act”</b>	the US Securities Act of 1933, as amended;
<b>“Shareholders”</b>	the holders of Common Shares and/or, as the context may permit, holders of Depositary Interests;
<b>“Special General Meeting”</b>	the special general meeting of Catlin to be convened for the purposes of considering, and if thought fit, increasing the share capital of the Company, authorising the Directors to allot the New Common Shares and dis-applying pre-emption rights in respect of the New Common Shares;
<b>“subsidiary undertaking”</b>	has the meaning given in section 1162 of the UK Companies Act 2006;
<b>“UK Listing Authority” or “UKLA”</b>	the United Kingdom Financial Services Authority in its capacity as the competent authority for listing under Part VI of the FSMA;
<b>“United Kingdom” or “UK”</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>“US” or “United States” or “United States of America”</b>	the United States of America, its territories and possessions, any State of the United States and the District of Columbia; and
<b>“US\$”, “USD”, “US dollars” or “\$”</b>	the lawful currency of the United States;

All references to legislation in this document are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof. Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

12 February 2009

# CATLIN GROUP LIMITED

*(Incorporated and registered in Bermuda under registration number 26680)*

## Notice of Special General Meeting

**NOTICE IS HEREBY GIVEN** that a SPECIAL GENERAL MEETING of Catlin Group Limited (the "Company") will be held at Cumberland House, 6th floor, 1 Victoria Street, Hamilton HM11, Bermuda on 9 March 2009 at 11.00 a.m. (Bermuda time) for the purpose of considering and, if thought fit, passing the following resolutions of which those numbered 1 and 2 will be proposed as ordinary resolutions and that numbered 3 will be proposed as a special resolution.

### Ordinary Resolutions

THAT:

1. the authorised share capital of the Company be and is hereby increased from US\$4,000,000 divided into 400,000,000 common shares of US\$0.01 each to US\$5,000,000 divided into 500,000,000 common shares of US\$0.01 each by the creation of 100,000,000 common shares of US\$0.01 each;
2. the Directors be generally and unconditionally authorised in accordance with the Company's Bye-Laws and the Bermuda Companies Act (1981) to allot common shares in the Company up to an aggregate nominal value of US\$1,190,777, provided that this authority shall expire at the end of the next Annual General Meeting of the Company (unless previously revoked or varied by the Company in general meeting), and is in substitution for all previous authorities to allot common shares of the Company which shall cease to have effect from the date of this resolution, save that the Company may before such expiry make any offer or agreement which would or might require common shares to be allotted after such expiry and the Directors may allot common shares in pursuance of any such offer or agreement as if the authority conferred hereby had not expired.

### Special Resolution

THAT:

3. subject to and conditional upon the passing of resolutions 1 and 2, the authority granted pursuant to resolution 2 may be exercised by the Directors as if Bye-Law 6 of the Company's Bye-Laws (Pre-emption Rights) did not apply, provided that such authorisation shall be limited to the allotment of common shares:
  - (i) in connection with a rights issue or other offer in favour of shareholders where the common shares are proportionate (as nearly as practicable) to the respective number of common shares 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
  - (ii) otherwise than pursuant to paragraph (i) of this resolution, up to an aggregate nominal amount US\$178,617; such authority to expire at the end of the next Annual General Meeting of the Company, and is in substitution for all previous authorities to allot common shares of the Company which shall cease to have effect from the date of this resolution, (save that the Company may before such expiry make any offer or agreement which would or might require common shares to be allotted after such expiry and the Directors may allot common shares in pursuance of any such offer or agreement as if the authority conferred hereby had not expired).

Dated 12 February 2009

By Order of the Board

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

**Daniel Primer**  
Company Secretary

**Notes:****(1) Holders of Common Shares**

Only holders of Common Shares in certificated form 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 on a poll to vote) instead of the shareholder. Forms of Proxy need to be completed, signed and lodged with Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, no later than 3.00 p.m. (London time) on 7 March 2009 (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 Special General Meeting. A Form of Proxy is enclosed.

**(2) Holders of Depositary Interests**

If you hold Depositary Interests representing Common Shares, you are not entitled to attend the Special General Meeting in person but, by completing the Form of Direction you will be instructing Capita IRG Trustees Limited, the Depositary, to vote on your behalf at the Special General Meeting, either in person or by proxy. If the form is completed without any indications as to how the Depositary shall vote, you will be deemed as instructing the Depositary to abstain from voting. If you wish to instruct the Depositary (other than electronically using CREST), you must lodge the completed Form of Direction with Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, during normal business hours) no later than 3.00 p.m. (London time) on 6 March 2009 (together with the original or a notarially certified copy of any power of attorney or other power under which it is executed). A Form of Direction 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 Catlin's agent RA10 by 3.00 p.m. on 6 March 2009. 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.

After the Depositary has received instructions on how to vote on the Resolutions from Depositary Interest Holders, in accordance with paragraphs 1 and 2 of this Note 2, it shall complete a Form of Proxy reflecting such instructions and return it to Capita Registrars in accordance with Note 1.

**(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 register of Shareholders by no later than 3.00 p.m. (London time) on 7 March 2009, being 48 hours before the time fixed for the Special General 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. As set out in Note 2, Depositary Interest Holders shall not be entitled to attend and vote in person at the Special General Meeting.

**(4) Share capital and voting rights**

As at 11 February 2009 (being the last practicable date prior to the publication of this Notice) the Company's issued share capital with voting rights is 255,166,529 common shares of \$0.01 each. The Company holds no common shares in treasury.

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