

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action you should take, you should immediately seek your own independent financial advice from your stockbroker, bank manager, solicitor or other independent professional adviser authorised under the Financial Services and Markets Act 2000 who specialises in advising upon investment in shares and other securities if you are resident in the United Kingdom or, if not, from another appropriately authorised financial adviser in your own jurisdiction.

If you have sold or otherwise transferred all of your Catlin Shares, you should send this document and the accompanying documents as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or the transferee. The distribution of this document and any accompanying documents into jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document and any accompanying documents come should inform themselves about and observe any such restrictions. In particular, such documents should not be distributed in, forwarded to or transmitted in or into Australia, Canada or any other jurisdiction where to do so would constitute a violation of the laws of such jurisdiction.

This document should be read in conjunction with the Prospectus relating to Catlin which accompanies this document and, in particular, the section of that document entitled Risk Factors, which sets out a discussion of the risks that might affect the value of your shareholding in Catlin.

This document does not constitute an offer of any securities for sale.

JPMorgan Cazenove, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Catlin and for no one else in relation to the Acquisition and will not be responsible to any other person for providing the protections afforded to clients of JPMorgan Cazenove in relation to the Acquisition.

CATLIN GROUP LIMITED

Proposed Acquisition

of Wellington Underwriting plc

Circular to Catlin Shareholders and

Notice of General Meeting

Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 4 to 11 of this document and which recommends you to vote in favour of the resolutions to be proposed at the General Meeting referred to below. Please read the whole of this document and the Prospectus and, in particular, the risks relating to the Acquisition set out on pages 22 and 23 of the Prospectus and the other risk factors set out in Part II of the Prospectus. You should not rely solely on the information summarised in this document.

Notice of a General Meeting of Catlin to be held at 4.30 pm (Bermuda time) on 12 December 2006 is set out at the end of this document and a form of proxy for use at the General Meeting is enclosed.

Please complete, sign and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible but, in any event, so as to be received by Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, not later than 8.30 pm on 10 December 2006 (in the case of Catlin Shares held in certificated form). The return of a completed form of proxy shall not prevent you from attending the General Meeting and voting in person, if you so wish and are so entitled. Holders of Depositary Interests wishing to vote are required to appoint the Depositary as proxy in accordance with the form of proxy enclosed, which must be received by Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, not later than 8.30 pm on 9 December 2006.

The statements contained in this document are made as of the date of this document, unless some other time is specified in relation to them and, subject to the requirements of law or the Listing Rules, later delivery of this document shall not give rise to an implication that there has been no change in the facts set out in this document since such date or that the information contained herein is correct as of any time subsequent to such date.

All references to the Common Shares or Catlin Shares in this document shall be deemed, where the context permits, to be references to the Depositary Interests.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this document, or incorporated by reference from the Prospectus, constitute “forward-looking statements”. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “prepares”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. Investors should specifically consider the factors identified in this document which could cause actual results to differ before making an investment decision. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of Catlin or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding Catlin’s present and future business strategies and the environment in which Catlin will operate in the future. Such risks, uncertainties and other factors are set out more fully in the section in the Prospectus headed “Risk Factors”, which is incorporated by reference. These forward-looking statements speak only as at the date of this document. Except as required by the Listing Rules, the Prospectus Rules, the Disclosure Rules, the London Stock Exchange or applicable law, the Company expressly disclaims any obligations or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

RELEVANT DOCUMENTATION

The Prospectus dated 24 November 2006 and published by Catlin, which accompanies this document, includes information concerning risk factors and further details concerning the Company, Wellington, the Catlin Directors and the New Catlin Shares. The Prospectus has also been sent to Wellington Shareholders and is available for inspection as described in paragraph 18 of Part XIV (Additional Information) of the Prospectus. Paragraph 6 of Part II of this document sets out the various sections of the Prospectus which are incorporated by reference into this document.

CONTENTS

| | <u>Page</u> |
|---|-------------|
| PART I Letter from Chairman | 4 |
| PART II Additional information | 12 |
| PART III Sources and bases | 14 |
| Definitions..... | 15 |
| Notice of General Meeting | 18 |

EXPECTED TIMETABLE OF EVENTS

| | |
|--|--------------------------------|
| Announcement of the Offer..... | 30 October 2006 |
| Date of this document..... | 24 November 2006 |
| Latest time for receipt of forms of proxy for the General Meeting from holders of Depository Interests..... | 8.30 pm on 9 December 2006 |
| Latest time for receipt of forms of proxy for the General Meeting from holders of Common Shares | 8.30 pm on 10 December 2006 |
| General Meeting (Bermuda time)..... | 4.30 pm on 12 December 2006 |
| First Closing Date of the Offer | 1.00 pm on 18 December 2006 |

Admission is expected to become effective and dealings in New Catlin Shares to commence at 8.00 am on the Business Day following the day on which the Offer is declared unconditional in all respects.

All times in this document are London times unless otherwise stated.

PART I

CATLIN

CATLIN GROUP LIMITED

Incorporated and registered in Bermuda under registration number 26680

Directors:

Sir Grahame Hearne *Chairman*
Stephen Catlin *Chief Executive*
Christopher Stooke *Chief Financial Officer*
Alan Bossin *Non-executive Director*
Michael Crall *Non-executive Director*
Jean Claude Damerval *Non-executive Director*
Michael Eisenson *Non-executive Director*
Michael Harper *Non-executive Director*
Richard Haverland *Non-executive Director*
Michael Hepher *Non-executive Director*
Jonathan Kelly *Non-executive Director*
Gene Lee *Non-executive Director*

Cumberland House
1 Victoria Street
Hamilton HM11
Bermuda

24 November 2006

Dear Catlin Shareholder

Proposed Acquisition by Catlin of Wellington Underwriting plc

1. Introduction

On 30 October 2006, the Board of Catlin announced the terms of a recommended offer for the whole of the issued and to be issued share capital of Wellington pursuant to which it intends to acquire Wellington. The Offer valued each Wellington Share at approximately 121 pence and valued the then existing issued share capital of Wellington at approximately £591 million, based in each case on the Closing Price of Catlin on 27 October 2006, being the last Business Day prior to the Announcement.

The Acquisition, because of its size, is a Class 1 transaction for Catlin under the Listing Rules and is therefore conditional, *inter alia*, on approval by Catlin Shareholders. A general meeting of Catlin is to be held at 4.30 pm (Bermuda time) on 12 December 2006 in Bermuda for the purpose of considering and if thought fit approving the Resolutions and a notice convening the General Meeting is set out at the end of this document.

The purpose of this document is to provide you with details of the Acquisition, to explain why your Board considers it to be in the best interests of Catlin and its shareholders and to recommend that you vote in favour of the resolution approving the Acquisition and the other resolutions to be put to Catlin Shareholders at the General Meeting.

2. Background to and reasons for the Offer

The Board believes that Catlin and Wellington's existing businesses are a strong complementary fit and expects the Acquisition to bring material benefits to both businesses. The Enlarged Group will be a major international specialty insurance and reinsurance business with well established underwriting platforms in the United Kingdom and Bermuda and a significantly enhanced underwriting and distribution platform in the US.

Both businesses have strong operational and underwriting expertise which will be further strengthened and diversified through the combination. Whilst both Catlin and Wellington have amongst the largest Lloyd's syndicates, Catlin has a well developed Bermuda platform — an area where Wellington has plans to expand. In the US, Wellington has a growing business expected to generate approximately \$280 million in gross premiums written in 2006 (see Part III paragraph 1) which will accelerate Catlin's existing plans to develop in that market. The combination therefore creates the opportunity for both significant cost savings and revenue growth. Each of Catlin's four operating platforms — Lloyd's, Bermuda, US and Catlin UK — will be strengthened as a result of the Acquisition.

In particular, the Board believes that the Acquisition will provide the following benefits:

Major enhancement of Catlin's operating platforms

- Catlin will become the largest underwriting operation at Lloyd's based on a 2007 combined stamp capacity of up to £1.3 billion (see Part III paragraph 2)
- The enlarged Catlin US will have aggregated gross premiums written for 2006 in excess of \$300 million (see Part III paragraph 3)
- Catlin Bermuda will grow through increased intercompany reinsurance cessions and further underwriting opportunities
- Catlin UK will develop further through writing business classes also currently underwritten by Wellington

Accelerates development of Catlin's US business

- The Acquisition will advance Catlin's existing expansion plans in the US by approximately two years
- The Acquisition will enhance management, underwriting staff and range of products
- Catlin's US expense ratio will be significantly lowered for 2007/8 as a result of the Acquisition (see Part III paragraph 4)

Further diversifies and strengthens Catlin's underwriting operations

- The Acquisition will broaden Catlin's already diversified underwriting portfolio
- Additional non-catastrophe related risk will be added to the Catlin portfolio
- Wellington has a strong reputation for underwriting skill which will benefit Catlin
- The addition of Wellington's underwriting talent will bolster Catlin's team

Strengthens Catlin's balance sheet (see Part XI of the Prospectus and Part III of this document)

- Greater financial resources will be a positive factor for clients, brokers and shareholders
- Total investments, cash and cash equivalents will increase 81 per cent. to \$4.5 billion
- Total net asset value will increase 76 per cent. to \$1.9 billion

Expected to deliver significant synergy benefits

- The Board expects post-tax synergies of \$70 million to arise from the Acquisition, projected to be achieved in full by 2008; a restructuring charge of approximately \$20 million pre-tax is expected to be incurred in 2007 (see Part III paragraph 5)
- Reinsurance synergies are expected due to greater diversification and therefore reduced insurance need, and economies of scale
- Significant tax synergies are expected through maintenance of capital in Catlin Bermuda, resulting in an anticipated Catlin Group tax rate not exceeding 15 per cent. at projected levels of profitability (see Part III paragraph 6)
- Operating synergies are expected to stem from scale efficiencies including information technology, professional services and office costs
- Investment synergies are expected as a result of increased portfolio size and reduced investment management fee rates

3. Information on Catlin

Established in 1984, Catlin is an international specialist property and casualty insurer and reinsurer, writing more than 30 classes of business from four underwriting platforms:

- the Catlin Syndicate, which is one of the largest syndicates at Lloyd's based on 2006 premium capacity of £480 million. The Catlin Syndicate is a recognised leader of numerous classes of specialty insurance and reinsurance

- Catlin Bermuda, which underwrites property treaty and casualty treaty reinsurance and property and casualty insurance. Catlin Bermuda also provides reinsurance support for other Catlin underwriting platforms
- Catlin UK, which specialises in underwriting commercial non-life insurance for UK clients. It also writes other classes of business written by the Catlin Syndicate
- Catlin US, a Texas-domiciled insurer expected to commence operations soon

Catlin also operates offices worldwide which allow Catlin underwriters to work closely with local policyholders and brokers. The offices are located in the US, Canada (Toronto and Calgary), Australia (Sydney), Singapore, Malaysia (Kuala Lumpur), Hong Kong, Germany (Cologne), Belgium (Antwerp) and Guernsey. Catlin UK has regional offices in Glasgow, Leeds, Derby, Birmingham, Watford and Tonbridge.

Throughout its history, Catlin has emphasised a firm commitment to underwriting discipline as well as a thorough understanding of clients' needs. A forward looking approach to managing underwriting cycles and the ability to design programmes tailored specifically for individual policyholders are among Catlin's hallmarks.

The Catlin Syndicate, Catlin Bermuda and Catlin UK have financial strength ratings of A (Excellent) from A.M. Best Company. A.M. Best has recently placed the financial strength and issuer credit ratings of Catlin Bermuda and other Catlin Group companies under review with negative implications, and Catlin is actively engaged with A.M. Best to alleviate any concerns that A.M. Best may have. Catlin Bermuda and Catlin UK have insurance financial strength ratings of A- (Strong) from Standard & Poor's; the Catlin Syndicate has a Lloyd's Syndicate Assessment of 4- (Low Dependency) from Standard & Poor's.

Shareholders should read the whole of this document and the Prospectus and not just rely on the summarised information above.

4. Information on Wellington

Wellington is the holding company of an international insurance and reinsurance group which is listed on the London Stock Exchange. Wellington was established in its current form in November 1996, following the merger of Wellington Underwriting Holdings Limited with Wellington. The core of the Wellington Group's business is in the Lloyd's insurance market where the Wellington Group manages and underwrites a diversified book of insurance and reinsurance business.

The Wellington Group currently conducts its underwriting activities through:

- the management by WUAL of Syndicate 2020, and its participation on Syndicate 2020 through the Wellington Corporate Members. The Wellington Group's participation on Syndicate 2020 amounted to 56 per cent. for the 2004, 66 per cent. for the 2005 and 67 per cent. for the 2006 years of account. Participation for the 2007 year of account was, prior to the Announcement, expected to increase to 70 per cent.
- WUI, an underwriting agency in the United States of America which underwrites or introduces insurance and reinsurance business to Syndicate 2020
- WSIC, a non-admitted excess and surplus lines carrier in the United States of America which writes direct casualty and non-catastrophe property business for small commercial specialty risks in the United States of America and which has an A.M. Best rating of A- (Excellent)

Syndicate 2020 has premium income capacity of £800 million for the 2006 year of account and, prior to the Announcement, was expected to have premium income capacity of £850 million for the 2007 year of account. Syndicate 2020 underwrites a diverse book of business which includes exposures from around the world in the following areas: accident and health, aviation, energy, liability, marine and war, property and reinsurance risks. Syndicate 2020 is rated A (Excellent) by A.M. Best, 3pi by Standard & Poor's and A2 by Moody's.

Wellington also has an investment in Aspen, which is a Bermuda based insurance holding company with operations in the insurance and reinsurance markets in London, Bermuda and the United States of America. As previously announced, Wellington is progressively reducing its Aspen holding, which now amounts to approximately 1 million Aspen shares (representing approximately 1.1 per cent. of Aspen's issued share capital) and options to acquire approximately 3.8 million further Aspen shares (representing approximately 3.6 per cent. of Aspen's issued share capital and, together with Wellington's shareholding referred to above, approximately 4.5 per cent. of Aspen's share capital on a fully diluted basis).

The Wellington Group had audited consolidated gross assets of £2,183 million as at 31 December 2005 and unaudited consolidated gross assets of £2,130 million as at 30 June 2006.

For the financial year ended 31 December 2005, the Wellington Group reported an audited consolidated loss after tax of £13.7 million.

Shareholders should read the whole of this document and the Prospectus and not just rely on the summarised information above.

5. Summary terms of the Offer

Catlin has offered to acquire, on the terms and subject to the conditions set out in the Offer Document and the Form of Acceptance and Election, the entire issued and to be issued ordinary share capital of Wellington on the following basis:

for each Wellington Share 0.17 New Catlin Shares and 35 pence in cash

Fractional entitlements to New Catlin Shares under the terms of the Offer will be disregarded and will not be issued. The New Catlin Shares will rank *pari passu* with the existing issued Catlin Shares.

The Offer valued each Wellington Share at approximately 121 pence and valued the then existing issued share capital of Wellington at approximately £591 million, based on the Closing Price of Catlin on 27 October 2006, being the last Business Day prior to the Announcement.

The Offer is final and will not be increased except that Catlin reserves the right to increase the Offer if any third party announces a firm intention to make an offer for Wellington.

Full acceptance of the Offer, were no existing options or awards under the Wellington Shares Schemes to be exercised, would result in the issue of approximately 84 million New Catlin Shares, representing approximately 34 per cent. of the issued common share capital of Catlin as enlarged by the Acquisition. In addition, Wellington Shareholders will receive cash consideration, in aggregate, of approximately £173 million.

The Offer is conditional, *inter alia*, upon Catlin's receiving by not later than 1.00 pm on the First Closing Date (or such later time(s) and/or date(s) as Catlin may, subject to the City Code, decide) acceptances in respect of not less than 90 per cent. (or such lesser percentage greater than 50 per cent. as Catlin may decide) in nominal value and in voting rights of the Wellington Shares to which the Offer relates. The Offer is also subject to the conditions, *inter alia*, that the admission of the New Catlin Shares (i) to listing on the Official List becomes effective in accordance with the Listing Rules and (ii) to trading on the London Stock Exchange's market for listed securities becomes effective in accordance with the Admission and Disclosure Standards, all necessary regulatory approvals from the FSA, Lloyd's and other regulatory bodies have been received, the Office of Fair Trading has not referred the Acquisition to the Competition Commission and the Resolutions are passed at the General Meeting.

6. Financial effects of the Acquisition

The Acquisition is expected to be earnings neutral for Catlin in 2007 (after restructuring charges) and significantly earnings enhancing in 2008 and beyond. This statement does not constitute a profit forecast and should not be interpreted to mean that the earnings per Catlin Share in the first full financial year following the Acquisition, or in any subsequent period, would necessarily match or be greater than those for the relevant preceding financial year.

Information on the expected impact of the Acquisition on the assets, liabilities and earnings of the Catlin Group is set out in Part XI and paragraph 3 of Part V of the Prospectus and is incorporated by reference in this document.

If the Offer becomes or is declared wholly unconditional, Wellington will become a subsidiary undertaking of Catlin as a result of which the assets and liabilities of the Wellington Group will be consolidated into the financial statements of the Catlin Group.

7. Dividend policy

The Board expects to declare a 2006 final dividend of 17 pence, bringing the full year 2006 dividend to 23 pence per Catlin Share. This represents an increase of 48 per cent. on the full year 2005 dividend paid to Catlin Shareholders.

The New Catlin Shares will qualify for the 2006 final dividend which is expected to be paid to shareholders of the Enlarged Group in May 2007. The Board anticipates that the dividend will grow over time from this rebased level of 23 pence. The rebasing is driven by the expected enhancement to Catlin's earnings as a result of the Acquisition and signals the Catlin Board's confidence in the Catlin Group's outlook.

Catlin remains committed to providing an attractive return to shareholders through the dividend and will continue its current policy under which payments are linked to recent trends in the performance of the Catlin Group and its future prospectus.

8. Undertakings

The Wellington Directors who hold Wellington Shares have given Catlin irrevocable undertakings to accept the Offer in respect of their own beneficial holdings of Wellington Shares, amounting in aggregate to 764,244 Wellington Shares, representing approximately 0.16 per cent. of Wellington's existing issued share capital. The irrevocable undertakings will cease to be binding only if the Offer lapses or is withdrawn.

9. Management and employees of Wellington

Following the Acquisition, members of Catlin's senior management will continue to lead the Enlarged Group in their current roles. However, the Board recognises the importance of the skills and experience of the existing management and employees of Wellington and believes that they will be an important factor for the continuing success of the Catlin Group.

The strength of the combination is founded on the quality of the people in both Catlin and Wellington. The Enlarged Group will draw on the combined and complementary talent of both organisations in pursuing its growth plans. Catlin recognises the importance of retaining and incentivising key Wellington people as the two businesses come together. Consistent with this, Catlin will put in place appropriate retention arrangements to ensure a smooth transition and appropriate recognition. These arrangements will be applied consistently to key people across the Enlarged Group.

Catlin has given assurances to the Wellington Board that, following the Offer becoming or being declared unconditional in all respects, Catlin expects that the existing employment rights and terms and conditions of employment of the Wellington Group's employees will be fully safeguarded. Wellington's pension obligations will also be complied with. Catlin has stated that it has no intention to make detrimental changes to the benefits provided under Wellington's pension schemes.

Catlin's plans do not involve any changes to the conditions of employment of the Wellington Group employees, nor are there any plans to change the principal locations of the Wellington Group's business.

10. Financing

As part of the financing of the Acquisition, JPMorgan has provided Catlin with an underwritten bridge financing facility of \$500 million and JPMorgan may subsequently syndicate such facility to other financial institutions, in consultation with Catlin. Catlin intends to refinance this facility with an issue of subordinated debt by the end of the first quarter of 2007, subject to market conditions.

11. Listing, dealings and settlement of the New Catlin Shares

Applications will be made for the New Catlin Shares to be admitted to the Official List and to trading on the London Stock Exchange's market for listed securities.

It is expected that Admission will become effective and that dealings for normal settlement in the New Catlin Shares will commence on the first business day following the date on which the Offer becomes or is declared unconditional in all respects (save only for the Admission of such shares becoming effective). The New Catlin Shares, in addition to an entitlement to the Catlin final dividend for 2006, will carry the right to all dividends and other distributions declared, made or paid on or after the date on which the Offer becomes or is declared unconditional in all respects.

12. Inducement fee

Catlin and Wellington have agreed that each party shall pay to the other an inducement fee of £5.9 million in certain circumstances. Further details in relation to the inducement fee are contained in paragraph 11.7 of Part XIV of the Prospectus.

13. Current trading and prospects

Current trading and prospects for Catlin

Catlin released its interim results for the six months to 30 June 2006 on 8 September 2006. At that time Catlin reported record net income of \$147.3 million (30 June 2005: \$111.2 million). Gross premiums written increased by 15.5 per cent. to \$903.1 million (30 June 2005: \$781.7 million). At that time, Catlin reported on the positive rating environment in catastrophe exposed classes of business following the 2005 US Hurricanes. Catlin also reported that weighted average premium rates for catastrophe exposed classes of business rose by 37 per cent. during the first six months of 2006, while weighted average premium rates for other classes of business decreased by 2 per cent. Weighted average premium rates for all classes increased by 12 per cent.

The underlying trends that Catlin experienced in the period ended 30 June 2006 remained largely unchanged during the period ended 30 September 2006, with both premium volume and loss activity remaining within management's expectations. The rating environment continued to be favourable.

The 2006 Atlantic hurricane season has been benign to date, in sharp contrast to the exceptional hurricane activity during 2005. Notwithstanding the fact that the Atlantic hurricane season has not yet concluded, the Directors are of the view that market conditions remain favourable and that Catlin is looking ahead with optimism to the remainder of 2006 and into 2007.

Current trading and prospects for Wellington

Wellington released its interim results for the six months to 30 June 2006 on 31 August 2006. The rate increases experienced in the hurricane exposed classes early in the year have continued as a result of tightening capacity and significant rate increases for reinsurance programmes renewed over the course of the year. The Wellington Group has benefited from this shift in the market throughout the year in both its direct and reinsurance classes of business while closely managing exposures. As at 30 September 2006, the Wellington Group's rate indices showed a total rate increase on new and renewed business of 16 per cent. for the first nine months of 2006, across all lines of business, of which 3 per cent. was related to non-hurricane exposed classes of business which is within the Wellington Group's expectations. Catastrophe exposed lines have increased more markedly, driving the majority of the overall rate increase. Syndicate 2020 remains on track to write approximately \$1.7 billion (£905 million) of gross written premiums in 2006 and, prior to the Announcement, its underwriting capacity was expected to increase for the 2007 year of account.

Wellington's US operations (WUI and WSIC) remain on track to underwrite or introduce approximately \$280 million of gross written premium in 2006 (of which approximately \$230 million is business underwritten or introduced to Syndicate 2020 by WUI and approximately \$50 million is business written by WSIC). This is expected to grow further in 2007.

Although still exposed to catastrophe risk, the Wellington Group is not aware of any significant catastrophe losses having occurred in 2006 to date which would be likely to have a material impact on underwriting results and loss experience for non-catastrophe classes of business has been in line with or better than the Wellington Board's assumptions in the period to 30 September 2006. The Wellington Group recently completed its quarterly internal review of Syndicate 2020's loss reserves as at 30 September 2006, which indicate no material change in respect of 2005 and prior accident year reserves to the overall position reported in the interim results for the period to 30 June 2006. Trading conditions, loss experience and cash flow within Syndicate 2020 have been, to date, in line with or better than the Wellington Board's expectations.

14. Syndicate 2020 cessation

Application has been made to Lloyd's by WUAL for permission to cease Syndicate 2020 with effect from 31 December 2006, with the capital provided by Wellington Corporate Members to Syndicate 2020 being made available to support Syndicate 2003 for the 2007 year of account. Compensation has been offered to the unaligned members of Syndicate 2020 on terms which will enable them to elect for either (i) 50 pence in cash for each £1 of prospective 2007 capacity on Syndicate 2020, or (ii) 40 pence in cash for each £1 of prospective 2007 capacity on Syndicate 2020 plus the option to maintain an equivalent amount of capacity on a new reinsurance syndicate that will write a whole account quota share reinsurance of Syndicate 2003 for at least the 2007 and 2008 years of account.

Should all unaligned members choose the all cash option, compensation paid would total approximately £127 million. Members' agents representing unaligned members of Syndicate 2020 have recommended that all unaligned members of Syndicate 2020 for whom they act vote in favour of and accept the terms of the proposed

compensation. The Board anticipates that the Cessation Application will be determined by early December 2006. The Cessation Application and payment of compensation are conditional upon the Offer becoming or being declared unconditional in all respects but the Offer is not conditional upon approval of the Cessation Application and will proceed, provided all of the conditions to the Offer are satisfied, regardless of whether or not the Cessation Application is approved.

For more information on the cessation of Syndicate 2020 see paragraph 6 of Part V of the Prospectus.

15. General Meeting

A notice convening a general meeting to be held at 4.30 pm (Bermuda time) on 12 December 2006 at Cumberland House, 6th Floor, 1 Victoria Street, Hamilton HM11, Bermuda, is contained at the end of this document. The purpose of the General Meeting is to consider, and if thought fit approve the Resolutions, a summary of which is set out below.

Resolution 1

To approve the Acquisition and to authorise the Catlin Board to make such waivers and extensions and non-material amendments to the terms and conditions of the Acquisition and to do all things as it considers necessary or desirable in connection with the Acquisition.

Resolution 2

Subject to the Offer's becoming unconditional and to the Acquisition being authorised pursuant to Resolution 1 above, to increase the Company's authorised share capital from \$2,500,000 to \$4,000,000 by the creation of 150,000,000 New Catlin Shares (being an increase of 60 per cent. in the authorised share capital of Catlin). If this resolution is passed and the Acquisition completes there would be 147,655,237 authorised but unissued Catlin Shares, assuming that (i) the maximum number of 88,483,888 New Catlin Shares are issued pursuant to the Acquisition; and (ii) no common shares in Catlin are issued on or after the date of this document other than in connection with the Acquisition. This resolution will provide the Company with sufficient authorised share capital to satisfy its obligations in connection with the Acquisition and for the Company to re-establish a level of headroom sufficient for its purposes generally.

Resolution 3

To authorise the Catlin Board, subject to the Offer's becoming unconditional and the authorised share capital of the Company being increased pursuant to Resolution 2 above, to allot for the purposes of the Acquisition up to 88,483,888 New Catlin Shares, representing approximately 54 per cent. of Catlin's current issued share capital as at 21 November 2006, the latest practicable date before the publication of this document. There are currently no Catlin Shares held in treasury. This authority is in addition to the authority granted at the Annual General Meeting of the Company held on 6 June 2006 and will expire at the end of the Annual General Meeting to be held in 2007. This resolution will enable the Company to allot sufficient New Catlin Shares to satisfy its obligations under the Offer.

The full text of the Resolutions is set out in the Notice of Meeting at the end of this document. In the event that the Resolutions are not passed, the Acquisition will not proceed.

16. Further information

Your attention is drawn to the further information set out in Part II of this document. You should also read the Prospectus in whole and, in particular, the risks relating to the Acquisition set out on pages 22 to 23 of the Prospectus and the other risk factors set out in Part II of the Prospectus.

17. Action to be taken

Enclosed with this document is a form of proxy for use by Catlin Shareholders at the General Meeting. Whether or not you propose to attend the General Meeting in person, you 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, Beckenham, Kent BR3 4TU not later than 8.30 pm on 10 December 2006 (in the case of Catlin Shares held in certificated form). Neither the completion of a form of proxy nor its return will preclude you from attending and voting in person at the General Meeting should you wish to do so.

Holders of Depositary Interests wishing to vote are required to appoint the Depositary as proxy in accordance with the form of proxy enclosed, which must be received by Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not later than 8.30 pm on 9 December 2006.

18. Recommendation and voting intentions

The Board, which has been advised by JPMorgan Cazenove, considers the Acquisition and the Resolutions to be proposed at the General Meeting to be fair and reasonable and in the best interests of Catlin and of Catlin Shareholders as a whole. In providing its advice to the Board, JPMorgan Cazenove has relied upon the Board's commercial assessments of the proposals.

Accordingly, the Board unanimously recommends that you vote in favour of the Acquisition and Resolutions to be proposed at the General Meeting as the Directors intend to do in respect of their own beneficial holdings of Catlin Shares, amounting to 2,904,782 Catlin Shares, representing approximately 1.8 per cent. of the existing issued share capital of Catlin.

In addition, certain of Catlin's significant shareholders have indicated to the Board that they are supportive of the Acquisition and that they intend to vote their shareholdings, amounting to 30,257,425 Catlin Shares in aggregate representing approximately 18.5 per cent. of the existing issued share capital of Catlin, in favour of the Resolutions to be proposed at the General Meeting.

Yours sincerely

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

Sir Graham Hearne
Chairman

PART II

Additional information

1. Responsibility

The Catlin Directors, whose names appear on page 4 of this document, accept responsibility for the information contained in this document. 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 document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Working capital statement

The Company is of the opinion that, taking into account bank and other available facilities, the Enlarged Group has sufficient working capital for its present requirements, that is, for at least the twelve months following the date of the publication of this document.

3. Relevant documentation

The following disclosures in the Prospectus are incorporated by reference into this Circular:

| <u>Information</u> | <u>Sections of the Prospectus incorporated by reference into the Circular</u> | <u>Page Number</u> |
|--|---|--------------------|
| <i>Information on Catlin</i> | | |
| Risk factors relating to Catlin's business | Part II Risk factors | 10 |
| Financial information relating to Catlin | Part IX Financial information on Catlin | 77 |
| Details of the Catlin Directors' interests in Shares | Part XIV Additional information | 196 |
| Details of the Catlin Directors' Service Contracts | Part XIV Additional information | 200 |
| The major interests in Catlin Shares | Part XIV Additional information | 198 |
| Related party transactions | Part XIV Additional information | 199 |
| Details of material contracts | Part XIV Additional information | 206 |
| Details of material litigation | Part XIV Additional information | 221 |
| The significant change statement of Catlin | Part XIV Additional information | 220 |
| <i>Information on Wellington</i> | | |
| Risk factors relating to Wellington | Part II Risk factors | 10 |
| Financial information relating to Wellington | Part X Financial information on Wellington | 78 |
| Details of material contracts | Part XIV Additional information | 211 |
| Details of material litigation | Part XIV Additional information | 221 |
| The significant change statement of Wellington | Part XIV Additional information | 220 |
| <i>Expected impact of the Acquisition</i> | | |
| Information on the financial impact of the Acquisition | Part XI Pro forma statement of net assets of the Enlarged Group | 161 |
| | Part V paragraph 3 | 31 |

4. The New Catlin Shares

The New Catlin Shares to be issued pursuant to the Acquisition will be common shares of \$0.01 each in the capital of Catlin. The New Catlin Shares will be issued in certificated form and the Despositary Interests representing the New Catlin Shares will be issued in uncertificated form and both will be issued credited as fully paid and will rank *pari passu* in all respects with the existing Catlin Shares and Depositary Interests. The New Catlin Shares will qualify for the 2006 final dividend of Catlin which is expected to be paid to shareholders of the Enlarged Group in May 2007.

5. Consent

JPMorgan Cazenove whose address is 20 Moorgate, London EC2R 6DA has given and has not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.

6. Documents available for inspection

Copies of all the documents referred to in paragraph 18 of Part XIV of the Prospectus and the written consent referred to in paragraph 5 above will be available for inspection at the offices of Debevoise & Plimpton LLP, Tower 42, 25 Old Broad Street, London EC2N 1HQ during normal business hours on each Business Day from the date of this document up to and including the date of Admission.

PART III

Sources and bases

1. The unaudited estimate that, in the US, Wellington will write \$280 million in gross premiums in 2006 is based on the statement in the CEO review in Wellington's interim report for the 6 months ended 30 June 2006 published on 31 August 2006 that "together Wellington's US businesses will write gross premium of approximately \$280 million".
2. The unaudited estimate of 2007 combined stamp capacity of up to £1.3 billion is based on the Catlin Syndicate's existing capacity of £480 million and Syndicate 2020's existing capacity of £800 million.
3. The unaudited estimated aggregated gross premiums written by the enlarged Catlin US for 2006 in excess of \$300 million is based on Wellington's published statement referred to in paragraph 1 above and Catlin's unpublished management projections for its US operations in 2006.
4. The unaudited estimate that Catlin's US expense ratio will be significantly lowered for 2007/08 as a result of the Acquisition is based on Catlin's new US operations still being in start-up mode (with expenses as a percentage of income being higher than for an established business) and the consequential benefits of combining with Wellington's established business.
5. The unaudited statement that total investments, cash and cash equivalents will increase 81 per cent. to \$4.5 billion is based on:

| <u>US\$ thousands</u> | <u>Catlin Group</u> | <u>Pro forma</u> | |
|--------------------------------|------------------------|------------------------|------|
| Total investments | 1,704,414 ^a | 3,110,599 ^a | |
| Cash and cash equivalents..... | 794,497 ^a | 1,411,784 ^a | |
| | 2,498,911 | 4,522,383 | +81% |

^a extracted without adjustment from Part XI of the Prospectus

6. The Board's expectation that post-tax synergies of \$70 million will arise from the Acquisition — projected to be achieved in full by 2008 — and that a restructuring charge of approximately \$20 million pre-tax will be incurred in 2007 is based on management projections. Both numbers are unaudited.
7. The anticipated Catlin Group tax rate not exceeding 15 per cent. is based on management projections and at projected levels of profitability. This number is unaudited.
8. As at the close of business on 21 November 2006 (the latest practicable date before the publication of this document), there were:
 - (a) 163,860,875 Catlin Shares in issue;
 - (b) 489,834,515 Wellington Shares in issue; and
 - (c) options over 26,002,662 Wellington Shares which are exercisable or could become exercisable before the Offer closes.

Pursuant to the scrip dividend alternative offered to Wellington Shareholders on 29 September 2006, Wellington expects to issue a further 4,656,280 Wellington Shares on 24 November 2006. These Wellington Shares have been taken into account in calculating the current value of the Offer.

9. The maximum number of New Catlin Shares is based on the Offer ratio of 0.17 and the aggregate of (i) the Wellington Shares in issue as at the close of business on 21 November 2006, (ii) the number of Wellington Shares that could be issued pursuant to the exercise of options whilst the Offer remains open for acceptance and (iii) the number of shares expected to be issued to satisfy elections for the scrip dividend alternative offered to Wellington Shareholders on 29 September 2006.

Definitions

The following definitions apply throughout this document unless the context otherwise requires:

| | |
|---|--|
| “2005 US Hurricanes” | means hurricanes Katrina, Rita and Wilma which affected the US during the course of 2005; |
| “Acquisition” | means the proposed acquisition by Catlin pursuant to the Offer of the Issued and to be issued share capital of Wellington; |
| “Admission” | means the admission of the New Catlin Shares to the Official List in accordance with the Listing Rules and to trading on the London Stock Exchange’s market for listed securities in accordance with the Admission and Disclosure Standards; |
| “Admission and Disclosure Standards” | means the requirements contained in the publication “Admission and Disclosure Standards” dated July 2006 (as amended from time to time) containing, <i>inter alia</i> , the admission requirements to be observed by companies seeking admission to trading on the London Stock Exchange’s market for listed securities; |
| “Announcement” | means the announcement issued by Catlin on 30 October 2006 under Rule 2.5 of the City Code in respect of the Offer; |
| “Aspen” | means Aspen Insurance Holdings Limited; |
| “Australia” | means the Commonwealth of Australia, its territories and possessions and all areas subject to its jurisdiction and any political sub-division thereof; |
| “Board” or “Catlin Board” | means the board of directors of Catlin; |
| “Business Day” | means any day (other than a Saturday or Sunday) on which banks generally are open for business in London (other than solely for settlement and trading in euro); |
| “Canada” | means Canada, its territories and possessions and all areas subject to its jurisdiction and any political sub-division thereof; |
| “Catlin” or the “Company” | means Catlin Group Limited; |
| “Catlin Bermuda” | means Catlin Insurance Company Limited; |
| “Catlin Directors” | means the directors of Catlin; |
| “Catlin Group” | means Catlin and its subsidiary undertakings excluding Wellington and the Wellington Group; |
| “Catlin Shares” or “Common Shares” | means the common shares of \$0.01 each in the capital of Catlin; |
| “Catlin Shareholders” | means the holders of Catlin Shares; |
| “Catlin Syndicate” | means syndicate 2003 at Lloyd’s; |
| “Catlin UK” | means Catlin Insurance Company (UK) Ltd; |
| “Catlin US” | means the Catlin Group’s operations in the US, including Catlin Insurance Company Inc.; |
| “Catlin Share Schemes” | means any or all of the Catlin Group Limited Long Term Incentive Plan, the Catlin Group Limited Performance Share Plan and the Catlin Group Limited Share Option Plan; |
| “Cessation Application” | means the application made by WUAL pursuant to Lloyd’s Major Syndicate Transactions Byelaw for WUAL to cease accepting new or renewal business on behalf of Syndicate 2020 with effect from 31 December 2006; |
| “Circular” | means this document; |
| “City Code” or “Code” | means the City Code on Takeovers and Mergers of the United Kingdom; |

| | |
|--|--|
| “Closing Price” | the middle market quotation as derived from the London Stock Exchange Daily Official List; |
| “Companies Act” | means the Companies Act 1985 as amended; |
| “Conditions” | means the conditions to the Offer as set out in the Offer Document; |
| “Depositary” | means Capita IRG Trustees Limited; |
| “Depositary Interests” | means the dematerialised depositary interests in respect of the Common Shares issued or to be issued by the Depositary; |
| “Disclosure Rules” | means the disclosure rules and regulations made by the UK Listing Authority; |
| “Enlarged Group” | means the Catlin Group and the Wellington Group following completion of the Acquisition; |
| “First Closing Date” | means 18 December 2006; |
| “Form of Acceptance and Election” | means the form of acceptance and election relating to the Offer referred to in the Offer Document; |
| “FSMA” | means the Financial Services and Markets Act 2000 as amended; |
| “General Meeting” | means a general meeting of Catlin to be convened for the purposes of, <i>inter alia</i> , considering, and if thought fit, approving resolutions in connection with the Acquisition, and as convened by the Notice of Meeting set out in this document, and any adjournment of such meeting; |
| “JPMorgan” | means JPMorgan Chase Bank, N.A.; |
| “JPMorgan Cazenove” | means JPMorgan Cazenove Limited; |
| “Listing Rules” | means the listing rules and regulations made by the UK Listing Authority; |
| “Lloyd’s” | means the Society and Corporation of Lloyd’s incorporated by the Lloyd’s Act of 1871; |
| “London Stock Exchange” | means London Stock Exchange plc; |
| “New Catlin Shares” | means new Catlin Shares proposed to be issued fully paid to Wellington Shareholders pursuant to the Offer; |
| “Notice of Meeting” | means the notice convening the General Meeting as set out on page 18; |
| “Offer” | means the offer recommended by the Board of Wellington made by Catlin to acquire Wellington Shares on the terms and subject to the conditions set out in the Offer Document and, where the context admits, any subsequent revisions, variations, extensions or renewals thereof; |
| “Offer Document” | means the document dated 24 November 2006 addressed to Wellington Shareholders and containing the Offer; |
| “Official List” | means the Official List maintained by the UK Listing Authority; |
| “Panel” | means the United Kingdom Panel on Takeovers and Mergers; |
| “Prospectus” | means the prospectus published by Catlin in connection with the proposed issue of New Catlin Shares and application for Admission of the New Catlin Shares for the purposes of the Offer; |
| “Prospectus Rules” | means the prospectus rules and regulations made by the UK Listing Authority; |
| “Registrar” | means Capita Registrars (Jersey) Limited; |
| “Resolutions” | means the resolutions to be put to Catlin Shareholders at the General Meeting and as set out in the Notice of Meeting; |
| “Syndicate 2003” | means syndicate 2003 at Lloyd’s; |

| | |
|---|--|
| “Syndicate 2020” | means syndicate 2020 at Lloyd’s; |
| “UK” or “United Kingdom” | means the United Kingdom of Great Britain and Northern Ireland; |
| “UK Listing Authority” or “UKLA” | means the United Kingdom Financial Services Authority in its capacity as the competent authority for listing under Part VI of the FSMA; |
| “US” or “United States” or “United States of America” | means the United States of America, its territories and possessions, any State of the United States and the District of Columbia; |
| “Wellington” | means Wellington Underwriting plc; |
| “Wellington Board”, “Board of Wellington” or “Wellington Board of Directors” | means the board of directors of Wellington; |
| “Wellington Corporate Members” | means those subsidiaries of Wellington which are registered as corporate members of Lloyd’s; |
| “Wellington Directors” | means the directors of Wellington; |
| “Wellington Group” | means Wellington and its subsidiary undertakings; |
| “Wellington Shareholders” | means the holders of Wellington Shares; |
| “Wellington Shares” | means the ordinary shares of 10 pence each in the capital of Wellington; |
| “Wellington Share Schemes” | means any or all of the Wellington Underwriting plc Performance Share Plan, the Wellington Underwriting plc 1996 Approved Executive Share Option Scheme, the Wellington Underwriting plc 1996 Executive Share Option (No. 2) Scheme, the Wellington Underwriting plc Savings Related Share Option Scheme, the Wellington Underwriting Holdings Limited Executive Share Option Scheme, the Wellington Underwriting plc Overseas Share Option Scheme and the Wellington Underwriting plc Deferred Equity Share Scheme; |
| “WSIC” | means Wellington Specialty Insurance Company; |
| “WUAL” | means Wellington Underwriting Agencies Limited; and |
| “WUI” | means Wellington Underwriting Inc. |

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.

For the purpose of this document, “subsidiary”, “subsidiary undertaking”, “undertaking” and “ associated undertaking” have the meanings given by the Companies Act (but for this purpose ignoring paragraph 20(1)(b) of Schedule 4(A) of the Companies Act). References to “£”, “sterling”, “p” and “pence” are to the lawful currency of the United Kingdom and references to “\$”, “dollar”, “c” and “cents” are to the lawful currency of the United States of America.

Dated 24 November 2006

NOTICE OF GENERAL MEETING

Catlin Group Limited

Notice is hereby given that a general meeting (the "Meeting") of Catlin Group Limited ("the Company") will be held at 4.30 pm (Bermuda time) on 12 December 2006 at the Company's offices at Cumberland House, 6th Floor, 1 Victoria Street, Hamilton HM11, Bermuda for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as ordinary resolutions.

Resolution 1: Acquisition of Wellington

THAT, the proposed acquisition by the Company of all or any of the shares in the capital of Wellington Underwriting plc ("Wellington"), now issued and to be issued (the "Offer") on the terms and subject to the conditions set out in an offer document published by the Company on 24 November 2006 (a copy of which document is produced to the Meeting and signed for the purpose of identification by the Chairman of the Meeting) or on the terms and subject to the conditions of any amended, extended, revised, renewed, additional or other offer or offers for shares in the capital of Wellington approved by the board of directors of the Company (the "Board" or "Directors") or any duly constituted committee thereof (a "Committee") BE AND IT IS HEREBY APPROVED and that the Board, or a Committee, BE AND IT IS HEREBY AUTHORISED to make waivers, extensions and non-material amendments or variations to any of the terms and conditions of the Offer and to do all such things as it may consider to be necessary or desirable to implement and give effect to, or otherwise in connection with, the Offer and any matters incidental to the Offer, including in respect of options and awards granted under Wellington share schemes held by employees of Wellington or its subsidiaries and other participants in the said share schemes.

Resolution 2: Increase in share capital

THAT, subject to, and immediately upon, the Offer's becoming or being declared wholly unconditional (other than any condition relating to the admission of the new common shares in the capital of the Company to be issued pursuant to the Offer to the Official List of the UK Listing Authority and to trading on the London Stock Exchange's, market for listed securities) the authorised share capital of the Company BE AND IT IS HEREBY INCREASED from \$2,500,000 to \$4,000,000 by the creation of 150,000,000 new common shares of \$0.01 each to rank *pari passu* in all respects with the existing common shares of \$0.01 in the Company.

Resolution 3: Directors' authority to allot shares

THAT, subject to, and immediately upon, the Offer becoming or being declared wholly unconditional (other than any condition relating to the admission of the new common shares in the capital of the Company to be issued pursuant to the Offer to the Official List of the UK Listing Authority and to trading on the London Stock Exchange's market for listed securities) the Directors BE AND ARE HEREBY generally authorised in accordance with the Company's Bye-laws and the Bermuda Companies Act 1981, and in addition to any and all previously existing authorities conferred upon the Directors to allot shares in the Company, to allot shares in the Company pursuant to the Offer up to an aggregate nominal amount of \$884,838.88, which authority shall commence on the date this resolution is passed and expire at the end of the annual general meeting of the Company in 2007, save that the Company may allot shares after this authority ends if the allotment is made pursuant to an agreement or offer which was made before this authority ends.

By order of the Board

Daniel Primer
Company Secretary
24 November 2006

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

Notes

1. Proxies

Only holders of common shares 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. In the case of common shares held in certificated form, forms of proxy need to be completed, signed and lodged with Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU not 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 authority 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. Depositary interests

If you hold depositary interests representing common shares, by completing the form of proxy you will be appointing Capita IRG Trustees Limited, the Depositary, to vote on your behalf at the Meeting, either in person or in proxy, and you should lodge the completed form with Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU not later than 72 hours before the time of the Meeting (together with the original or notarially certified copy of any power of attorney or other authority under which it is executed). A form of proxy is enclosed.

3. Documents on display

The register of directors' interests in the share capital of the Company, together with copies of service agreements and letters of appointment under which directors of the Company are employed or serve, are available for inspection at the Company's registered office and at Capita Registrars, 34 Beckenham Road, Beckenham, Kent BR3 4TU during normal business hours from the date of this notice until the date of the Meeting and will also be available for inspection at the place of the Meeting for at least 15 minutes prior to and during the Meeting.

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 4.30 pm (Bermuda time) on 10 December 2006, 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.

