

# Hiscox Ltd Notice of 2014 Annual General Meeting

## THIS DOCUMENT 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 independent adviser authorised under the Financial Service and Markets Act 2000 if you are resident in the United Kingdom or, if not, another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your shares of 6p each in the capital of Hiscox Ltd ('Ordinary Shares'), please forward this document (together with the accompanying Form of Direction or Form of Proxy) to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for delivery to the purchaser as soon as possible.

This document contains an explanatory letter from the Company Secretary on behalf of the Board of Hiscox Ltd and the Notice of Annual General Meeting. Accompanying this document is a Form of Direction or Form of Proxy which should be completed and returned in accordance with the instructions thereon. To be valid, the appropriate form should be sent to Capita Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF, United Kingdom to be received no later than 10.00 am (2.00 pm (BST)) on 12 May 2014 for a Form of Direction or 10.00 am (2.00 pm (BST)) on 13 May 2014 for a Form of Proxy.

## Timetable of events

Latest time for receipt of a Form of Direction	10.00 am (2.00 pm (BST)) 12 May 2014
Latest time for receipt of a Form of Proxy	10.00 am (2.00 pm (BST)) 13 May 2014
Annual General Meeting	10.00 am (2.00 pm (BST)) 15 May 2014

The Hiscox 2013 Report and Accounts is now available online at [www.hiscoxgroup.com](http://www.hiscoxgroup.com)

If you are a shareholder of Hiscox Ltd and wish to receive paper copies of shareholder documents by post, please write to:

FREEPOST RLYX-GZTU-KRRG  
Capita Asset Services  
Shareholder Administration Support  
34 Beckenham Road  
Beckenham  
Kent BR3 9ZA

A copy of this Notice can be found at:  
[www.hiscoxgroup.com](http://www.hiscoxgroup.com)

# To holders of Ordinary Shares ('Shareholders') and for information only to holders of depositary interests issued by Capita IRG Trustees Limited in respect of Ordinary Shares ('Depositary Interests Holders').

31 March 2014

Dear Shareholder

I am writing on behalf of the Board to provide an explanation of the business to be considered at the forthcoming Annual General Meeting ('AGM') of Hiscox Ltd (the 'Company'). The formal notice convening this meeting is set out at the end of this letter.

## Location

The AGM will be held at the Elbow Beach Hotel, 60 South Shore Road, Paget PG 04, Bermuda on 15 May 2014 at 10.00 am. For the convenience of our European Shareholders, they may attend the AGM via a video link at the Group's London office, 1 Great St Helen's, London EC3A 6HX on 15 May 2014 at 2.00 pm (BST).

## Business of the AGM

The following business will be proposed at the AGM:

### Resolution 1

#### Approval of the Report and Accounts.

The Directors of the Company (the 'Directors') present to Shareholders the Report and Accounts for the year ended 31 December 2013.

### Resolution 2

#### Approval of the Directors' remuneration policy.

The Directors seek approval of the Remuneration policy which can be found on pages 51 to 58 of the Report and Accounts. As the Company is incorporated under the laws of Bermuda it is not subject to the new requirements imposed on UK-incorporated companies to submit their remuneration policy to a binding vote of shareholders. Nonetheless, the Company has on a voluntary basis prepared a forward-looking remuneration policy which is intended to take effect from 15 May 2014, and is submitted to a vote of shareholders on an advisory basis.

### Resolution 3

#### Approval of the Annual report on remuneration.

The Directors seek approval of the Annual report on remuneration which can be found on pages 59 to 66 of the Report and Accounts.

### Resolutions 4 to 15

#### Re-appointment of Directors.

The Bye-laws require that a Director shall retire from office if he has been appointed by the Board since the previous AGM or it is the third AGM following that at which he was last re-appointed. However, in accordance with the UK Corporate Governance Code, all of the Directors will, being eligible, offer themselves for re-appointment at the AGM. Biographical details of each Director, can be found at pages 40 to 41 of the Report and Accounts. The Chairman and the Board have considered the individual

skills, experience and attributes of each Director. The Board considers that the composition of the Board is well balanced and therefore recommends the re-appointment of each Director at the AGM. Richard Watson was appointed to the Board in May 2013, after assuming the executive role of Chief Underwriting Officer, and is standing for re-appointment by shareholders for the first time. The Board believes that Richard's skills, experience and knowledge as described in his biography on page 40 of the Report and Accounts, are of great benefit to the Board and the Company. Additionally, and in accordance with the UK Corporate Governance Code, the Chairman has confirmed in respect of all of the Non Executive Directors offering themselves for re-appointment at the AGM that their performance continues to be effective and to demonstrate commitment to the role.

### Resolution 16 and 17

#### Approval of the Auditors' re-appointment and setting of their remuneration.

The Board proposes that KPMG be appointed as auditors of the Company for the 2014 financial year and that the Board be authorised to determine the level of the auditors' remuneration for the 2014 financial year.

### Resolution 18

#### To authorise the allotment of relevant securities.

Authority was granted to the Directors at the Extraordinary General Meeting held on 18 March 2014 (the 'EGM') in accordance with Bye-Law 5(b) of the Company's Bye-Laws to allot relevant securities without the prior consent of Shareholders up to a maximum nominal amount of £6,320,245 and an additional nominal amount of £6,320,245 in connection with a Rights Issue for a period expiring at the conclusion of the next Annual General Meeting or, if earlier, on 17 March 2015. This replaced the authority, in a similar form, granted at the Annual General Meeting held in 2013.

The Directors consider it appropriate to renew this authority at the forthcoming AGM. In accordance with the institutional guidelines issued by the Association of British Insurers (ABI), the proposed new authority will allow the Directors to allot relevant securities equal to an amount of up to one third of the Company's existing ordinary issued share capital plus, in the case of a fully pre-emptive Rights Issue only, a further amount of up to an additional one third of the Company's existing issued ordinary share capital (in each case excluding any shares held in treasury).

The proposed new authority will expire at the conclusion of the 2015 Annual General Meeting of the Company or, if earlier, on 1 July 2015. It is the current intention to renew this authority annually. The Directors have no present intention to allot shares other than in connection with employee share schemes and the scrip dividend alternative. However, if they do exercise the authority,

the Directors intend to follow emerging best practice as regards its use, as recommended by the ABI.

The nominal amount of securities to which the new authority will relate represents approximately one third (33.33%) (£6,323,465), or up to two thirds (66.66%) (£12,646,930) in the case of a fully pre-emptive Rights Issue only, of the Company's issued ordinary share capital (excluding shares held in treasury) as at 25 March 2014 (being the latest practicable date prior to publication of this circular). As at 25 March 2014, the Company's issued ordinary share capital amounted to £19,832,586 comprising 330,543,102 ordinary shares and the Company held 14,369,840 ordinary shares in treasury, representing 4.35% of the Company's issued ordinary share capital as at 25 March 2014.

## **Resolution 19**

### **To dis-apply pre-emption rights.**

Resolution 19 is proposed as a special resolution in accordance with Bye-Law 7(a) of the Company's Bye-Laws to authorise the Directors to allot equity securities for cash without first being required to offer such shares to existing Shareholders. This authority will expire at the conclusion of the next Annual General Meeting or, if earlier, on 1 July 2015, although it is the Directors' current intention to seek renewal of this authority annually.

The £991,629 nominal amount of equity securities to which this authority relates represents approximately 5% of the nominal amount of the issued ordinary share capital of the Company as at 25 March 2014 (being the latest practicable date prior to publication of this circular). The Directors have no current intention of exercising this authority. The Directors do not intend to issue more than 7.5% of the issued ordinary share capital of the Company for cash, on a non pre-emptive basis, in any rolling three-year period without prior consultation with shareholders and the Investment Committee of the ABI and the National Association of Pension Funds.

## **Resolution 20**

### **To authorise the Company to purchase its own Ordinary Shares.**

Resolution 20 is proposed as a special resolution in accordance with Bye-Law 9(a) of the Company's Bye-Laws to give the Company a general authority to make market purchases of its own shares. The maximum number of shares that the Company may purchase under this authority will be 31,617,326 Ordinary Shares representing approximately 10% of the nominal amount of the issued ordinary capital of the Company (excluding shares held in treasury) on 25 March 2014. The resolution also sets out the maximum and minimum price which the Company may pay for those shares. Any shares purchased under this authority will be cancelled or held in treasury.

The total number of shares over which an option under an employee share scheme existed as at 31 December 2013 is 15,831,081 representing 4.46% of the Company's issued ordinary share capital (excluding shares held in treasury).

The total number of shares over which an option under an employee share scheme exists as at 25 March 2014 (being the latest practicable date prior to the publication of this circular) is 17,379,617 representing 5.50% of

the Company's issued ordinary share capital (excluding shares held in treasury). Whilst the authority being sought at the AGM is in place of that granted at the EGM if, for the purposes of Listing Rule 13.7.1(1) (f), the authority given by this resolution and that granted at the EGM were aggregated and fully utilised, these shares would represent 19.99% of the Company's issued ordinary share capital (excluding shares held in treasury) at that date.

This authority will expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, on 1 July 2015, although it is the Directors' current intention to seek renewal of this authority annually. The power given by the resolution will only be exercised if the Directors are satisfied that any purchase will increase the earnings per share of the ordinary share capital in issue after the purchase and, accordingly, that the purchase is in the interests of Shareholders. The Directors will also give careful consideration to gearing levels of the Company and its general financial position.

## **Recommendation**

The Board believes that the proposed resolutions as set out in the Notice of AGM are in the best interests of the Company and the shareholders as a whole and the Board recommends that the shareholders vote in favour of the resolutions. Each Director who holds shares in the Company intends to vote in favour of the resolutions.

## **ACTION TO BE TAKEN**

### **Shareholders**

A Form of Proxy for use by shareholders at the AGM or at any adjournment thereof is attached. Whether or not Shareholders propose to attend the AGM they are requested to complete, sign and return the Form of Proxy to Capita Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF, United Kingdom as soon as possible and in any event so as to be received no later than 10.00 am (2.00 pm (BST)) on 13 May 2014. The completion and return of the Form of Proxy will not preclude shareholders from attending the AGM and voting in person should they wish to do so.

### **Depositary Interests Holders**

Any Depositary Interests Holder wishing to instruct Capita IRG Trustees Limited to vote in respect of the holder's interest should use the enclosed Form of Direction. The completed Form of Direction must be returned to Capita Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF, United Kingdom so as to be received no later than 10.00 am (2.00 pm (BST)) on 12 May 2014.

Yours faithfully



**Jeremy Pinchin**  
Company Secretary

# Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Hiscox Ltd will be held at Elbow Beach Hotel, 60 South Shore Road, Paget PG 04, Bermuda and via video link at 1 Great St Helen's, London EC3A 6HX on 15 May 2014 at 10.00 am (2.00 pm (BST)) for the following purposes:

## Ordinary resolutions:

1. To receive the accounts of the Company for the year ended 31 December 2013 together with the Directors' and auditors' reports thereon.
  2. To approve the Directors' remuneration policy as set out on pages 51 to 58 of the Report and Accounts of the Company for the year ended 31 December 2013.
  3. To approve the Annual report on remuneration as set out on pages 59 to 66 of the Report and Accounts of the Company for the year ended 31 December 2013.
  4. To re-appoint Stuart Bridges as a Director.
  5. To re-appoint Robert Childs as a Director.
  6. To re-appoint Caroline Foulger as a Director.
  7. To re-appoint Richard Gillingwater as a Director.
  8. To re-appoint Daniel Healy as a Director.
  9. To re-appoint Ernst Jansen as a Director.
  10. To re-appoint Dr James King as a Director.
  11. To re-appoint Bronislaw Masojada as a Director.
  12. To re-appoint Robert McMillan as a Director.
  13. To re-appoint Andrea Rosen as a Director.
  14. To re-appoint Gunnar Stokholm as a Director.
  15. To re-appoint Richard Watson as a Director.
  16. To re-appoint KPMG Audit Limited as auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next general meeting of the Company at which accounts are laid.
  17. To authorise the Directors to determine the level of auditors' remuneration.
  18. That:
    - a) in accordance with Bye-Law 5 of the Company's Bye-Laws:
      - i) the Directors be authorised to allot Relevant Securities up to an aggregate nominal amount of £6,323,465; and further
      - ii) the Directors be authorised to allot Relevant Securities up to an additional aggregate nominal amount of £6,323,465 in connection with a Rights Issue;
    - b) this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or, if earlier, on 1 July 2015, provided that the Company may, before this authority expires, make an offer or agreement which would or might require Relevant Securities to be allotted after it expires and the Directors may allot shares or grant rights in pursuance of such offer or agreement as if it had not expired; and
    - c) all previous unutilised authorities under Bye-Law 5 of the Company's Bye-Laws shall cease to have effect (save to the extent that the same are exercisable pursuant to Bye-Law 5(h) by reason of any offer or agreement made prior to the date of this resolution, which would or might require Relevant Securities to be allotted on or after that date).
- For the purposes of this Resolution 18:
- i) 'Relevant Securities' has the meaning given to it in Bye-Law 5(c) of the Company's Bye-Laws; and
  - ii) 'Rights Issue' means an offer or issue of Equity

Securities (as defined in Bye-Law 6(g) of the Company's Bye-Laws) in connection with an offer or issue to or in favour of holders on the Register of Members on a date fixed by the Directors where the Equity Securities respectively attributable to the interests of all those holders are proportionate (as nearly as practicable) to the respective numbers of shares held by them on that date but the Directors may make such exclusions or other arrangements as they consider expedient in relation to treasury shares, fractional entitlements, legal or practical problems under the laws of, or the requirements of any relevant regulatory body or stock exchange in, any territory or any matter whatsoever.

## Special resolutions:

### 19. That:

- a) Subject to the passing of Resolution 18 above, in accordance with Bye-Law 7(a) of the Company's Bye-Laws the Directors be given power to allot for cash Equity Securities (as defined in Bye-Law 6(g)(i) of the Company's Bye-Laws) pursuant to the general authority conferred on them by the resolution passed under Bye-Law 5 (Resolution 18 above) as if Bye-Law 6 of those Bye-Laws did not apply to the allotment but this power shall be limited:
    - i) to the allotment of Equity Securities in connection with an offer or issue (but in the case of the authority granted under Resolution 18 (a)(ii) by way of a Rights Issue only) to or in favour of holders on the Register of Members on a date fixed by the Directors where the Equity Securities respectively attributable to the interests of all those holders are proportionate (as nearly as practicable) to the respective numbers of shares held by them on that date but the Directors may make such exclusions or other arrangements as they consider expedient in relation to treasury shares, fractional entitlements, legal or practical problems under the laws of, or the requirements of any relevant regulatory body or stock exchange in, any territory or any matter whatsoever; and
    - ii) to the allotment (other than under (i) above) of Equity Securities having a nominal amount not exceeding in aggregate £991,629;
  - b) this power shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or, if earlier, on 1 July 2015, but not after the expiry of the authority conferred on the Directors by Bye-Law 5 of the Company's Bye-Laws;
  - c) all previous authorities under Bye-Law 7 of the company's Bye-Laws shall cease to have effect; and
  - d) the Company may, before this power expires, make an offer or agreement which would or might require Equity Securities to be allotted after it expires and the Directors may allot shares or grant rights in pursuance of such offer or agreement as if it had not expired.
20. That in accordance with Bye-Law 9(a) of the Company's Bye-Laws, the Company is generally and unconditionally authorised to make market purchases of its Ordinary Shares on such terms and in such manner as the Directors may determine provided that:
- a) the maximum number of Ordinary Shares that may be purchased under this authority is 31,617,326;
  - b) the maximum price which may be paid for any Ordinary Share purchased under this authority (exclusive of expenses payable by the Company in connection with the purchase) shall not be more than the higher of an amount equal to 105% of the average of the middle market of the prices shown in the quotations for the



Ordinary Shares on the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which that Ordinary Share is purchased and the amount stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation 2003 and subject to the minimum price. The minimum price which may be paid shall be the nominal value of that Ordinary Share (exclusive of expenses payable by the Company in connection with the purchase);

- c) this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution, or, if earlier, on 1 July 2015, unless renewed before that time;
- d) the Company may make a contract or contracts to purchase Ordinary Shares under this authority before its expiry which will or may be executed wholly or partly after the expiry of this authority and may make a purchase of shares in pursuance of any such contract; and
- e) all existing authorities for the Company to make market purchases of shares are revoked, except in relation to the purchase of shares under a contract or contracts concluded before the date of this resolution and which has not yet been executed.

By order of the Board

**Jeremy Pinchin**  
Company Secretary  
31 March 2014

#### Notes

1. Every holder has the right to appoint some other person(s) of their choice, who need not be a shareholder as his proxy to attend, speak and vote on their behalf at the Annual General Meeting. A member entitled to attend and vote at the Annual General Meeting may appoint one or more proxies (who need not be members of the Company) to attend, speak and vote on his or her behalf. A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. In order to be valid, any appointment of proxy (and the power of attorney or other authority, if any, under which it is signed or a notarially certified or office copy of such power or authority) must be undertaken in accordance with these notes and the notes set out on the accompanying Form of Proxy and returned in hard copy form by post, by courier or by hand, to the Company's registrars' UK agent, Capita Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF United Kingdom, not later than 48-hours before the time for holding the Annual General Meeting (or in the event that the Annual General Meeting is adjourned, 48-hours before the time of any adjourned meeting).
2. Return of the Form of Proxy will not preclude a member from attending the Meeting and voting in person.
3. In accordance with Bye-Law 41 of the Company's Bye-Laws, only those members entered on the Register of Members of the Company as at 2.00 pm (6.00 pm (BST)) on 13 May 2014 (or in the event that the Meeting is adjourned, 2.00 pm (6.00 pm (BST)) on the date two days before the date of any adjourned Meeting) as the holder of ordinary shares, their validly appointed proxies and validly appointed Depositary Proxies shall be entitled to attend or vote at the Meeting in respect of the number of ordinary shares registered in the member's name (or in the name of the Depositary as the case may be) at that time. Changes to entries on the Register of Members after 2.00 pm (6.00 pm (BST)) on 13 May 2014 (or in the event that the Meeting is adjourned, 2.00 pm (6.00 pm (BST)) on the date two days before the date of any adjourned meeting) shall be disregarded in determining the rights of any person to attend or vote at the meeting.
4. A Depositary Interest Holder who is a CREST member and who wishes to appoint, or to give instruction to, the Depositary through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and

those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by 2.00 pm (6.00 pm (BST)) on 12 May 2014 (or in the event that the meeting is adjourned, 2.00 pm (6.00 pm (BST)) on the date three days before the date of any adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

5. As at 25 March 2014 (being the last practicable business day prior to the publication of this Notice) the Company's issued share capital is 330,543,102 ordinary shares carrying one vote each of which 14,369,840 are held in treasury and 261,555,693 C Shares, 93,647,894 D Shares and 330,501,032 Deferred Shares which do not carry voting rights. Therefore total exercisable voting rights in the Company as at 25 March 2014 is 316,173,262.
6. Copies of the following documents are available for inspection at the Company's registered office and at the offices of Hiscox plc, 1 Great St Helen's, London EC3A 6HX, United Kingdom during normal business hours and will be available at the place of the Meeting from 9.45 am (1.45 pm BST) until its conclusion: (i) copies of the letters of appointment for Non Executive Directors; and (ii) the existing Bye-Laws.
7. If your address information is incorrect please ring the Registrar's helpline on 0871 664 0300\* (from within the UK) or +44 20 8639 3399 (from outside UK) to request a change of address form, email [ssd@capitaregistrars.com](mailto:ssd@capitaregistrars.com) or obtain a form at [www.capitaregistrars.com/shareholders/information/documents/CHANGEOFADDRESSbeckenham.pdf](http://www.capitaregistrars.com/shareholders/information/documents/CHANGEOFADDRESSbeckenham.pdf).
8. Depositary Interest Holders who do not lodge their voting instructions via CREST Electronic Proxy Appointment Service may submit a Form of Direction and the power of attorney or other authority (if any) under which it is signed, or a notarially or otherwise certified copy of such power or authority, to Capita Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF United Kingdom not later than 72-hours before the time appointed for holding the meeting.

\*Calls cost 10p per minute plus network extras. Lines open 8.30 am-5.30 pm Mon-Fri, except for UK bank holidays.

