

LANCASHIRE HOLDINGS LIMITED

(the "Company")

**CERTIFIED RESOLUTIONS**

I, Colin Alexander, Assistant Company Secretary of the Company, DO HEREBY CERTIFY that the following is a true extract of resolutions adopted by the Members of the Company at a meeting duly convened and held on the 5 day of May 2011, at which meeting a quorum was present and voting throughout and that such resolutions are still in full force and effect as at the date hereof:

**" 11. ISSUANCE AND ALLOTMENT OF UNISSUED SHARE CAPITAL**

**RESOLVED** that the Directors be hereby granted with a general and unconditional authority to allot and issue unissued common share capital, pursuant to Bye-law 2.4 of the Bye-laws, up to an aggregate nominal value of U.S.\$28,100,404, an amount equal to approximately one-third of the issued common share capital of the Company as at 14 March 2011, provided that, unless otherwise renewed or revoked by the Shareholders in general meeting, this authority will expire at the conclusion of the annual general meeting in 2012, or if earlier, 15 months from today's date.

FOR	AGAINST	WITHHELD	TOTAL
67,603,091	0	5,600	67,608,691

**12. ISSUANCE AND ALLOTMENT OF UNISSUED SHARE CAPITAL ON A NON PRE-EMPTIVE BASIS**

**THAT** the Directors be authorised, in accordance with Bye-law 2.6 of the Company's Bye-laws, to allot and issue Common Shares on a non pre-emptive basis up to an aggregate nominal value of U.S.\$8,430,121 such amount being approximately 10 per cent of the Company's issued share capital as at 14 March 2011, provided that, unless otherwise renewed or revoked by the Shareholders in a general meeting, this authority will expire at the conclusion of the 2012 annual general meeting or, if earlier, 15 months from today's date.

FOR	AGAINST	WITHHELD	TOTAL
46,933,699	20,124,697	550,295	67,608,691

**13. SHARE REPURCHASES**

**THAT** the Company be generally and unconditionally authorised, in accordance with Bye-law 3 of the Company's Bye-laws and pursuant to section 42A of the Companies Act of Bermuda, to make one or more purchases of Common Shares in such manner and on such terms as the Directors of the Company or any authorised committee may from time to time determine provided that:

- (a) the maximum number of Common Shares hereby authorised to be purchased shall be 16,860,242 (representing approximately 10% of the issued Common Share capital of the Company as at 14 March 2011);
- (b) the minimum price (exclusive of expenses payable by the Company) which may be paid for a Common Share shall be U.S.\$0.10;

- (c) the maximum price (exclusive of expenses payable by the Company) which may be paid for a Common Share shall be the higher of:
- (i) 5% above the average of the closing middle market quotations for a Common Share of the Company taken from the London Stock Exchange Daily Official List for the 5 business days immediately preceding the day on which the Common Share is contracted to be purchased; and
  - (ii) the higher of the price of the last independent trade and the highest current independent bid for the Common Shares on the London Stock Exchange at the time of purchase as stipulated by Article 5(1) of the Commission Regulation (EC) No.2273/2003 of 22 December 2003 implementing the Market Abuse Directive (Directive 2003/6/EC of the European Parliament and of the Council) as regards exemptions for buy-back programmes and stabilisation of financial instruments;
- (d) unless otherwise renewed or revoked by the Shareholders in a general meeting this authority will expire on the conclusion of the annual general meeting of the Company in 2012 or, if earlier, 15 months from today's date; and
- (e) the Company shall be entitled under such authority to make at any time before its expiry or termination any contract to purchase its own shares which will or may be executed wholly or partly before the expiry of the authority, and may make a purchase of Common Shares in pursuance of any such contract.

FOR	AGAINST	WITHHELD	TOTAL
67,366,576	236,157	5,958	67,608,691"

Dated: This 3<sup>rd</sup> day of June 2011.

Signed under seal:

By:

  
Colin Alexander  
Assistant Company Secretary

