

# Hiscox Ltd Notice of 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 5p 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 Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom to be received no later than 10.00 am (2.00 pm (BST)) on 27 May 2012 for a Form of Direction or 10.00 am (2.00 pm (BST)) 28 May 2012 for a Form of Proxy.

## Timetable of events

Latest time for receipt of a Form of Direction	10.00 am (2.00 pm (BST)) 27 May 2012
Latest time for receipt of a Form of Proxy	10.00 am (2.00 pm (BST)) 28 May 2012
Annual General Meeting	10.00 am (2.00 pm (BST)) 30 May 2012

The Hiscox 2011 Report and Accounts is now available online at [www.hiscox.com](http://www.hiscox.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 Registrars  
Shareholder Administration Support  
34 Beckenham Road  
Beckenham  
Kent BR3 9ZA

A copy of this Notice can be found at [www.hiscox.com](http://www.hiscox.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') and holders of Depositary Interests ('Depositary Interest Holders').

12 March 2012

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 Fairmont Hamilton Princess Hotel, 76 Pitts Bay Road, Pembroke HM 08, Bermuda on 30 May 2012 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 30 May 2012 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 annual Report and Accounts for the year ended 31 December 2011.

### Resolution 2

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

The Directors seek approval of this remuneration report which can be found on pages 39 to 46 of the Report and Accounts.

### Resolution 3

#### Approval of the final dividend.

The dividend cannot exceed the amount recommended by the Directors. The dividend is to be paid in cash in respect of each Ordinary Share and Depositary Interest, other than those Ordinary Shares and Depositary Interests in respect of which a valid election has been made in relation to the scrip dividend alternative approved at the AGM held in 2011. Further details regarding the scrip dividend alternative, including the procedure to be followed in order to make an election, can be found on the Company's website at [www.hiscox.com](http://www.hiscox.com). Shareholders who have already elected the scrip dividend alternative do not need to take further action.

### Resolutions 4 to 14

#### 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 Annual General Meeting or it is the third Annual General Meeting 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 34 to 35 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. 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 15 and 16

#### 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 2012 financial year and that the Board be authorised to determine the level of the auditors' remuneration for the 2012 financial year.

### Resolution 17

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

Authority was granted to the Directors at the Annual General Meeting held in 2011 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 £6,347,076 and an additional nominal amount of £6,347,076 in connection with a Rights Issue for a period expiring at the conclusion of the Annual General Meeting to be held in 2012 or, if earlier, on 1 July 2012.

The Directors consider it appropriate to renew this authority at the forthcoming Annual General Meeting. 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 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 share capital (in each case excluding any shares held in treasury).

The proposed new authority will expire at the conclusion of the 2013 Annual General Meeting of the Company or, if earlier, on 1 July 2013. 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%), or up to two thirds (66%) in the case of a fully pre-emptive Rights Issue only, of the Company's issued share capital (excluding any shares held in treasury) as at 24 February 2012 (being the latest practicable date prior

to publication of this circular). As at 24 February 2012, the Company's issued share capital amounted to £20,562,826 comprising 411,256,520 Ordinary Shares and the Company held 22,836,487 shares in treasury, representing 5.55% of the Company's issued share capital as at 24 February 2012.

#### **Resolution 18**

##### **To increase the authorised share capital.**

In order to renew the authority to allot as proposed by Resolution 17 for the full amount permitted in the ABI guidelines it is necessary to increase the authorised share capital of the Company. It is therefore proposed to increase the authorised share capital of the Company from £30,000,000 to £40,000,000 by the creation of an additional 200,000,000 shares of 5p each.

#### **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 2013, although it is the Directors' current intention to seek renewal of this authority annually.

The £1,028,141 nominal amount of equity securities to which this authority relates represents approximately 5% of the nominal amount of the issued share capital of the Company as at 24 February 2012 (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 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 38,842,003 Ordinary Shares representing approximately 10% of the nominal amount of the issued capital of the Company (excluding shares held in treasury) on 24 February 2012. 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 exists as at 24 February 2012

(being the latest practicable date prior to the publication of this circular) is 17,400,526 representing 4.48% of the Company's issued share capital (excluding shares held in treasury). If the authority to be given by this resolution was fully utilised these shares would represent 4.98% of the Company's issued 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 2013, 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 will vote in favour of the resolutions.

#### **ACTION TO BE TAKEN**

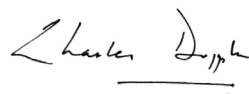
##### **Shareholders**

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 Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, 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 28 May 2012. 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 Interest Holders**

Any holder of Depositary Interests 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 Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom so as to be received no later than 10.00 am (2.00 pm (BST)) on 27 May 2012.

Yours faithfully



**Charles Dupplin**  
Company Secretary

# Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Hiscox Ltd will be held at the Fairmont Hamilton Princess Hotel, 76 Pitts Bay Road, Pembroke HM 08, Bermuda and via video link at 1 Great St Helen's, London EC3A 6HX on 30 May 2012 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 2011 together with the Directors' and auditors' reports thereon.
2. To approve the Directors' remuneration report for the year ended 31 December 2011.
3. That the final dividend recommended by the Directors of 11.9 pence per Ordinary Share for the year ended 31 December 2011 be declared payable on 19th June 2012, to holders of Ordinary Shares on the register of members on 11th May 2012.
4. To re-appoint Robert Hiscox as a Director.
5. To re-appoint Bronislaw Masojada as a Director.
6. To re-appoint Robert Childs as a Director.
7. To re-appoint Stuart Bridges as a Director.
8. To re-appoint Richard Gillingwater as a Director.
9. To re-appoint Daniel Healy as a Director.
10. To re-appoint Ernst Jansen as a Director.
11. To re-appoint Dr James King 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 Stockholm as a Director.
15. To re-appoint KPMG 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.
16. To authorise the Directors to determine the level of auditors' remuneration.
17. That:
  - a) in accordance with Bye-Law 5(b) of the Company's Bye-Laws:
    - i) the Directors be authorised to allot Relevant Securities up to an aggregate nominal amount of £6,473,667; and further
    - ii) the Directors be authorised to allot Relevant Securities up to an additional aggregate nominal amount of £6,473,667 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 2013, 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 17:

- 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)(i) 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.

18. That the authorised capital of the Company be increased from £30,000,000 divided into 600,000,000 Ordinary Shares of 5p each to £40,000,000 by the creation of an additional 200,000,000 shares of 5p each.

## Special resolutions:

19. That:
  - a) Subject to the passing of Resolution 17 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 17 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 17 (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 £1,028,141;
  - 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 2013, 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 38,842,003;
  - 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 2013, 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

**Charles Dupplin**  
Company Secretary  
12 March 2012

#### 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 meeting. A member entitled to attend and vote at the Annual General Meeting (the '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 Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU United Kingdom, not later than 48-hours before the time for holding the Meeting (or in the event that the 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 28 May 2012 (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 shares registered in their name (or 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 28 May 2012 (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 (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). 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 (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). 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 27 May 2012 (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 24 February 2012 (being the last practicable business day prior to the publication of this Notice) the Company's issued share capital is 411,256,520 ordinary shares carrying one vote each of which 22,836,487 are held in treasury. Therefore total exercisable voting rights in the Company as at 24 February 2012 is 388,420,033.
6. Copies of the following documents will be 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 until the date of the Meeting and 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 Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU 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.