

Beazley plc

Incorporated in Jersey under Companies (Jersey) Law 1991 with registered number 102680

Notice of 2016 Annual General Meeting and accompanying notes

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you should consult an independent adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or another appropriately authorised independent adviser if you are in a territory outside the United Kingdom.

If you have sold or otherwise transferred all your shares in Beazley plc ("the Company"), please forward this document, together with the accompanying documents, to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

Whether or not you propose to attend the Annual General Meeting, please complete and submit the enclosed Form of Proxy in accordance with the instructions printed on it. The Form of Proxy must be completed, signed and returned so as to reach the Company's Registrars Equiniti (Jersey) Limited by no later than 12.00 noon on 22 March 2016. Alternatively you can appoint a proxy or proxies electronically by visiting www.sharevote.co.uk or if you have already registered with Equiniti (Jersey) Limited's online portfolio service, Shareview, you can submit your form of proxy at www.shareview.co.uk/myportfolio.

beazley

Beazley plc

(Incorporated in Jersey under Companies (Jersey) Law 1991 with registered number 102680)

25 February 2016

Dear Shareholder

Notice of 2016 Annual General Meeting


I am pleased to be writing to you with details of our Annual General Meeting (the "AGM") which will be held at 12.00 noon on 24 March 2016 at 2 Northwood Avenue, Santry Demesne, Santry, Dublin 9, Ireland. The formal notice of the AGM and resolutions to be proposed are set out on pages 3 to 6 of this document.

You will find enclosed a Form of Proxy for use at the AGM. Please complete, sign and return the enclosed Form of Proxy as soon as possible in accordance with the instructions printed thereon, whether or not you intend to be present at the AGM. Forms of proxy should be returned so as to be received by Equiniti (Jersey) Limited, C/O Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA as soon as possible and in any event no later than 48 hours before the time appointed for holding the AGM, that is to say, no later than 12.00 noon on 22 March 2016. Alternatively you can appoint a proxy or proxies electronically by visiting www.sharevote.co.uk or if you have already registered with Equiniti (Jersey) Limited's online portfolio service, Shareview, you can submit your Form of Proxy at www.shareview.co.uk/myportfolio, where full details of the procedure are given. The proxy appointment and instructions must be received electronically by Equiniti (Jersey) Limited no later than 48 hours before the time appointed for holding the AGM, that is to say, no later than 12.00 noon on 22 March 2016.

For those shareholders who have elected to receive a hard copy of the Annual Report and Accounts for the financial period ended 31 December 2015, please find it enclosed. Shareholders who have not elected to receive the Annual Report and Accounts in hard copy can view it on the Company's website at www.beazley.com. Alternatively you may obtain a hard copy by writing to the Company Secretary, Beazley plc, 2 Northwood Avenue, Santry Demesne, Santry, Dublin 9, Ireland.

There will also be an opportunity for shareholders to ask questions at the meeting itself. Your directors consider that all the resolutions to be put to the meeting are in the best interests of the Company and its shareholders as a whole and unanimously recommend shareholders to vote in favour of all the resolutions, as they intend to do in respect of their own beneficial holdings.

Yours faithfully



Dennis Holt
Chairman

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Beazley plc (the "Company") will be held at 2 Northwood Avenue, Santry Demesne, Santry, Dublin 9, Ireland on 24 March 2016 at 12.00 noon for the purpose of considering and, if thought fit, passing the following resolutions listed below of which resolutions numbered 1 to 19 inclusive will be proposed as ordinary resolutions and resolutions numbered 20 to 22 inclusive will be proposed as special resolutions:

Annual Report and Accounts

- 1 That the Accounts for the financial year ended 31 December 2015 together with the reports of the Directors and Auditors thereon be received.
- 2 That the Directors' Remuneration Report set out on pages 85 to 106 of the Annual Report and Accounts for the financial year ended 31 December 2015 be approved.

Dividends

- 3 That the payment of a second interim dividend of 6.6 pence per ordinary share be approved and paid on 31 March 2016 to shareholders on the register of members on 26 February 2016 (save to the extent that shareholders on the register of members on 26 February 2016 are to be paid a dividend by a subsidiary of the Company resident for tax purposes in the United Kingdom pursuant to elections made or deemed to have been made in accordance with Article 125 of the Company's articles of association (the "Articles") and such shareholders shall have no right to this second interim dividend).
- 4 That, subject to the passing of Resolution 3 above, the payment of a special dividend of 18.4 pence per ordinary share be approved and paid on 31 March 2016 to shareholders on the register of members on 26 February 2016 (save to the extent that shareholders on the register of members on 26 February 2016 are to be paid a dividend by a subsidiary of the Company resident for tax purposes in the United Kingdom pursuant to elections made or deemed to have been made in accordance with the Articles and such shareholders shall have no right to this special dividend).

Re-election of Directors

- 5 That George Blunden be re-elected as a Director of the Company.
- 6 That Martin Bride be re-elected as a Director of the Company.
- 7 That Adrian Cox be re-elected as a Director of the Company.
- 8 That Angela Crawford-Ingle be re-elected as a Director of the Company.
- 9 That Dennis Holt be re-elected as a Director of the Company.
- 10 That Andrew Horton be re-elected as a Director of the Company.
- 11 That Neil Maidment be re-elected as a Director of the Company.
- 12 That Vincent Sheridan be re-elected as a Director of the Company.
- 13 That Clive Washbourn be re-elected as a Director of the Company.

Appointment of new Directors

- 14 That Sir Andrew Likierman be elected as a Director of the Company.
- 15 That Catherine Woods be elected as a Director of the Company.

Auditors

- 16 That KPMG be reappointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting to be held in 2017.
- 17 That the remuneration of KPMG be determined by the Directors of the Company.

Beazley plc Savings-Related Share Option Plan for U.S. Employees

- 18 That the rules of the Beazley plc Savings-Related Share Option Plan for U.S. Employees (the "U.S. SAYE Plan") in the form produced to the Annual General Meeting and initialled by the Chairman of the Annual General Meeting for the purposes of identification, a summary of the principal terms of which is set out in Appendix 1 to this Notice of Annual General Meeting, be and are hereby approved, and the Directors of the Company be and are hereby authorised to adopt the U.S. SAYE Plan and do all such acts and things as they may, in their absolute discretion, consider necessary or expedient to give effect to the U.S. SAYE Plan.

Authority to allot shares

- 19 That the Directors be generally and unconditionally authorised in accordance with the Articles to exercise all the powers of the Company to allot relevant securities (as defined in the Articles) to such persons and at such times and upon such conditions as the Directors may determine:
- (a) up to a maximum aggregate nominal amount of £8,722,556 (representing approximately one third of the Company's issued ordinary share capital);
 - (b) up to an additional maximum aggregate nominal amount of £8,722,556 (representing approximately one third of the Company's issued ordinary share capital) solely in connection with an allotment pursuant to an offer by way of a rights issue as defined in the Articles, being an offer or issue to or in favour of holders of ordinary shares in the Company on the register of members of the Company on a date fixed by the Directors where the equity securities (as defined in the Articles) respectively attributable to the interests of all those ordinary shareholders are proportionate (as nearly as practicable) to the respective numbers of shares in the Company held by them on that date; and
 - (c) the authorities conferred on the Directors under paragraphs 19(a) and 19(b) above shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this Resolution, save that the Company may, before such expiry, make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities pursuant to any such offer or agreement as if the authority conferred hereby had not expired.

Disapplication of pre-emption rights

- 20 That, subject to the passing of Resolution 19 above, the Directors be authorised pursuant to Article 8 of the Articles to allot equity securities wholly for cash as if Article 7 of the Articles did not apply to any such allotment provided that such authority shall be limited:
- (a) to the allotment of equity securities in connection with a rights issue to holders of ordinary shares in the Company on the register of members of the Company on a date fixed by the Directors where the equity securities (as defined in the Articles) respectively attributable to the interests of all those holders are proportionate (as nearly as practicable) to the respective numbers of shares in the Company held by them on that date but the Directors may make such exclusions or other arrangements as they consider expedient in relation to fractional entitlements, legal or practical problems under the laws in any territory or the requirements of any relevant regulatory body or stock exchange; and
 - (b) to the allotment (other than under paragraph 20(a)) of equity securities wholly for cash or otherwise up to a maximum aggregate nominal amount not exceeding £1,308,384,

and such authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this Resolution, (or, if earlier, at the close of business on the date which is 15 months after the date of this Resolution), save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to any such offer or agreement as if the authority conferred hereby had not expired.

Market purchases

- 21 That the Company be generally and unconditionally authorised:
- (a) pursuant to Article 57 of the Companies (Jersey) Law 1991 (the "Law") and Article 12 of the Articles to make market purchases of ordinary shares in the capital of the Company on such terms and in such manner as the Directors of the Company shall from time to time determine, provided that:
 - (i) the maximum aggregate number of ordinary shares hereby authorised to be purchased is 52,335,334 (representing approximately 10 per cent of the Company's issued ordinary share capital);
 - (ii) the minimum price (exclusive of any expenses) which may be paid for an ordinary share is its nominal value;
 - (iii) the maximum price (exclusive of any expenses) which may be paid for an ordinary share is not more than the higher of:
 - (A) an amount equal to 5 per cent above the average of the middle market quotations of an ordinary share (as derived from the London Stock Exchange Daily Official List) for the five business days immediately preceding the date on which that ordinary share is contracted to be purchased; and
 - (B) an amount equal to the higher of (i) the price of the last independent trade of an ordinary share; and (ii) the highest current independent bid for an ordinary share on the London Stock Exchange at the time the purchase is carried out;

- (iv) the authority hereby conferred shall expire on 24 June 2017 or, if earlier, at the conclusion of the next Annual General Meeting of the Company following the passing of this Resolution, unless previously revoked, varied or renewed by the Company in general meeting; and
 - (v) the Company may at any time prior to the expiry of such authority make a contract or contracts to purchase ordinary shares under such authority which will or might be completed or executed wholly or partly after the expiration of such authority and may make a purchase of ordinary shares in pursuance of any such contract or contracts; and
- (b) pursuant to Article 58A of the Law and Article 13 of the Articles to hold as treasury shares any ordinary shares purchased pursuant to the authority conferred in paragraph 21(a).

Notice for general meetings

22 That any general meeting of the Company, other than an Annual General Meeting of the Company, may be called on not less than 14 clear days' notice.

By Order of the Board,

Sian Coope
Company Secretary
Beazley plc

Registered office:
22 Grenville Street
St Helier
Jersey JE4 8PX
25 February 2016

Notes

- 1 Shareholders entitled to attend and vote at this meeting may appoint one or more proxies to attend and, on a poll, vote in their place. A proxy need not be a shareholder of the Company. If a shareholder appoints more than one proxy to attend this meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by the shareholder. If a shareholder wishes to appoint more than one proxy, he/she may photocopy the Form of Proxy or (an) additional Form(s) of Proxy may be obtained by contacting the Company's Registrars Shareholders' Helpline on 0371 384 2658 (for calls from within the United Kingdom. Calls to this number are charged at the national rate plus network extras. Lines are open from 8.30am to 5.30pm, Monday to Friday), or +44 121 415 7593 (for calls from outside the United Kingdom. Calls to this number will be charged depending on where the call is made from, at international rates).
- 2 Any person receiving a copy of this Notice as a person nominated by a shareholder to enjoy information rights under Article 134 of the Articles of Association of the Company (a "Nominated Person") should note that the provisions in this Notice concerning the appointment of a proxy or proxies to attend the meeting in place of the shareholder do not apply to a Nominated Person as only shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the shareholder by whom he or she was nominated to be appointed or to have someone else appointed as a proxy for the meeting. If a Nominated Person has no such right or does not wish to exercise it, he/she may have a right under such an agreement to give instructions to the shareholder as to the exercise of voting rights at the meeting.
- 3 Pursuant to the Companies (Uncertificated Securities) (Jersey) Order 1999, the Company specifies that only those shareholders registered in the register of members of the Company by 6.00pm on 22 March 2016 shall be entitled to attend or vote at the aforesaid meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after 6.00pm on 22 March 2016 shall be disregarded in determining the rights of any person to attend or vote at the meeting.
- 4 A Form of Proxy is enclosed with this Notice. In order to be valid, a Form of Proxy must be returned duly completed (together with the original or a duly certified copy of the power of attorney or other authority, if applicable, under which it is signed) by one of the following methods no later than 48 hours before the time fixed for the meeting or any adjournment thereof:
 - in hard copy form by post, by courier or by hand to the Company's Registrars, Equiniti (Jersey) Limited, C/O Equiniti Limited Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA; or
 - in electronic form by visiting www.sharevote.co.uk where you will be asked to enter your unique Reference Number, Card ID and Account Number as printed on your Form of Proxy;
 - alternatively if you have already registered with Equiniti (Jersey) Limited's online portfolio service, Shareview, you can submit your Form of Proxy at www.shareview.co.uk/myportfolio. Full instructions are given on both websites. The use by members of the electronic proxy appointment service will be governed by the terms and conditions of use which appear on the website; and
 - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.Completing and returning the Form of Proxy will not preclude shareholders from attending and voting in person at the meeting should they wish to do so.
- 5 As at 23 February 2016, being the last practicable date prior to the publication of this Notice, the Company's issued share capital consisted of 523,353,340 ordinary shares of five pence ("Ordinary Shares"), none of which were held in treasury. The total voting rights in the Company as at 23 February 2016 were 523,353,340.
- 6 Copies of the following documents will be available for inspection at the registered office of the Company and at the offices of Mayer Brown International LLP, 201 Bishopsgate, London EC2M 3AF during usual business hours on any weekday (Saturdays, Sundays and Bank Holidays excluded) until the date of the AGM and also on the date and at the place of the AGM from noon until the conclusion of the AGM:
 - (a) copies of the executive Directors' service agreements; and
 - (b) copies of the non-executive Directors' letters of appointment.
- 7 A copy of this Notice and the Annual Report and Accounts are available on the Company's website at www.beazley.com.

Explanatory Notes on the Business of the AGM

NOTE FOR CREST shareholders: Electronic proxy appointment through CREST

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof 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) voting 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's specifications and must contain the information required for such instructions, as described in the CREST manual which can be viewed at www.euroclear.com. The message, regardless of whether it constitutes the appointment of a proxy or to 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 Company's agent, Equiniti (Jersey) Limited, (CREST Participant ID 7RA01) by 12.00 noon on 22 March 2016 (or 48 hours preceding the date and time for any adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company'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 does not make available special procedures in CREST for any particular messages. 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(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 service 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 Article 34 of the Companies (Uncertificated Securities) (Jersey) Order 1999.

You may not use any electronic address provided either in this Notice or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

Resolution to Receive the Annual Report and Accounts for the financial year ended 31 December 2015 and the Directors' Report and Auditors' Report on these (Resolution 1)

The Directors are required to present to the AGM the accounts, and the reports of the Directors and auditors, for the financial year ended 31 December 2015. These are contained in the Company's Annual Report and Accounts 2015.

Resolution that the Directors' Remuneration Report for the financial year ended 31 December 2015 be approved (Resolution 2)

The Company is required to ask shareholders to approve the Directors' Remuneration Report which is included in the Annual Report and Accounts 2015. These can be viewed on the Company's website and are available to shareholders on request. The resolution is advisory and does not affect the remuneration paid to any Director.

The Company's auditors, KPMG, have audited those parts of the Directors' Remuneration Report which are required to be audited and their report may be found in the Annual Report and Accounts.

Resolutions to approve the payment of a second interim dividend and a special dividend (Resolutions 3 and 4)

The Company's board of directors (the "Board") has recommended the payment of a second interim dividend of 6.6 pence per Ordinary Share which, provided shareholders approve Resolution 3, will be paid by the Company on 31 March 2016 to all shareholders on the register of members on 26 February 2016 (other than those who will be paid such dividend by a subsidiary of the Company resident for tax purposes in the United Kingdom pursuant to elections made or deemed to have been made in accordance with Article 125 of the Company's articles of association (the "Articles") and such shareholders shall have no right to this second interim dividend).

The Board has recommended the payment of a special dividend of 18.4 pence per Ordinary Share which, provided shareholders approve Resolution 4, will be paid by the Company on 31 March 2016 to all shareholders on the register of members on 26 February 2016 (other than those who will be paid such dividend by a subsidiary of the Company resident for tax purposes in the United Kingdom pursuant to elections made or deemed to have been made in accordance with Article 125 of the Company's Articles and such shareholders shall have no right to this special dividend).

The recommended second interim dividend that shareholders are being asked to approve in Resolution 3 and special dividend that shareholders are being asked to approve in Resolution 4 are both in addition to the first interim dividend of 3.3 pence per Ordinary Share paid by the Company on 4 September 2015 to all shareholders on the register of members on 7 August 2015 (other than those shareholders who were paid such dividend by a subsidiary of the Company resident for tax purposes in the United Kingdom pursuant to elections made or deemed to have been made in accordance with Article 125 of the Company's Articles).

A dividend access plan has been implemented so that, subject to the Company's Articles and the plan's rules, shareholders are entitled to elect to receive either UK-sourced dividends or Irish-sourced dividends. Shareholders who do not elect (or who are not deemed to have elected) to receive UK-sourced dividends through the dividend access plan are reminded that their dividends will be Irish-sourced and will generally be subject to Irish withholding tax at the rate of 20 per cent.

Re-election of Directors (Resolutions 5 to 13 inclusive)

In compliance with the provision on annual re-election of all Directors introduced by the UK Corporate Governance Code, all Directors wishing to seek re-election are submitted for re-election and are recommended by the Board. Biographical details of all directors offering themselves for re-election are contained in the Annual Report and Accounts 2015 and on the Company's website.

The Board extended the appointments of two directors who would be serving terms in excess of six years from the 2016 AGM. George Blunden continues to bring strong challenge to the Board and its committees and his appointment has been extended for a further three years, subject to annual reappointment at the AGM. The nomination committee carried out a rigorous assessment of George Blunden's continuing independence, taking into account the length of his tenure on the boards of both Beazley plc and Beazley Furlonge Ltd, and concluded that he remained independent. Vincent Sheridan joined the Board in 2009, and his appointment has been extended for a further one year term to ensure continuity across the Board and committees.

Appointment of Directors (Resolutions 14 and 15)

The Board of the Company has appointed Sir Andrew Likierman and Catherine Woods as Directors since the Company's last AGM and is therefore seeking election of these Directors through separate resolutions numbered 14 and 15, respectively. Sir Andrew Likierman is Dean of London Business School and was the founding director of the Executive MBA programme and a professor at the School for many years. Sir Andrew Likierman's career has spanned the public and private sectors: he has run a textile plant in Germany, been head of the Government Accountancy Service and was managing director of the UK Treasury. Catherine Woods is the senior independent non-executive director and audit committee chairman of AIB plc, a non-executive director of AIB Mortgage Bank. She is the finance expert on the adjudication panel established by the Irish Government to oversee the rollout of the National Broadband scheme and is a former Vice President and Head of the European Banks Equity Research Team, JP Morgan.

Auditors (Resolutions 16 and 17)

The Company is required, at each AGM at which accounts are presented, to appoint auditors to hold office until the next such meeting. KPMG has indicated its willingness to continue in office. Accordingly, Resolution 16 reappoints KPMG as auditors to the Company and Resolution 17 authorises the Directors to fix their remuneration.

Resolution to adopt the Beazley plc Savings-Related Share Option Plan for U.S. Employees (Resolution 18)

Shareholder approval is being sought for a new all-employee share option plan for participating US employees (the "U.S. SAYE Plan"). This plan is intended to replace the current Savings-Related Share Option Plan for U.S. Employees which is due to expire in 2016.

The new plan, for which shareholder approval is being sought, retains the key features of the current Savings-Related Share Option Plan for U.S. Employees, and has been updated to ensure the U.S. SAYE Plan continues to be considered a qualifying Employee Stock Purchase Plan under section 423 of the Internal Revenue Code of 1986.

A summary of the principal features of the U.S. SAYE plan can be found in Appendix 1 to this Notice of Annual General Meeting. The rules of the U.S. SAYE plan will be available for inspection at the offices of Mayer Brown LLP, 201 Bishopsgate, London, EC2M 3AF, on any weekday (Saturdays, Sundays and public holidays excluded until the close of the Annual General Meeting and will also be available for inspection at the place of the Annual General Meeting for at least 15 minutes before and during the Annual General Meeting.

Authority of Directors to allot shares (Resolution 19)

Under Article 6 of the Articles, the Board needs to be given authority by ordinary resolution to exercise all powers of the Company to allot relevant securities (as defined in the Company's Articles). The authority granted at the last Annual General Meeting to allot relevant securities is due to expire at the conclusion of this year's Annual

General Meeting. Accordingly, this resolution seeks to grant a new authority to authorise the Directors to allot relevant securities in the Company and will expire at the conclusion of the next Annual General Meeting of the Company. Upon the passing of this resolution, the Board will have authority (pursuant to paragraph (a) of the resolution) to allot relevant securities up to a maximum aggregate nominal amount of £8,722,556 representing approximately one third of the current issued ordinary share capital of the Company as at 23 February 2016, being the latest practicable date before the publication of this Notice. In addition, in accordance with the latest institutional guidelines from the Investment Association ("IA") on the expectations of institutional investors in relation to the authority of Directors to allot shares, upon the passing of this resolution, the Board will have authority (pursuant to paragraph (b) of the resolution) to allot an additional number of ordinary shares up to a maximum aggregate nominal amount of £8,722,556, which is approximately a further third of the current issued ordinary share capital as at 23 February 2016, being the latest practicable date before the publication of this Notice. However, the Directors will only be able to allot those shares for the purposes of a rights issue in which the new shares are offered to existing shareholders in proportion to their existing shareholdings. This authority will also expire immediately following the next Annual General Meeting.

As a result, if this resolution is passed, the Board could allot shares representing up to two-thirds of the current issued ordinary share capital pursuant to a rights issue.

There is no present intention of exercising this authority except in connection with the Company's employee share schemes. However, it is considered prudent to maintain the flexibility that this authority provides. If they do exercise the authority, the Directors intend to follow emerging best practice as regards its use (including, where appropriate, the Directors standing for re-election) as recommended by the IA.

As of 23 February 2016, being the last practicable date prior to the publication of this Notice, the Company did not hold any treasury shares.

Disapplication of pre-emption rights (Resolution 20)

Under Article 7 of the Articles, if the Directors wish to exercise the authority under Resolution 19 and allot any shares for cash, it must offer them in the first instance to existing shareholders in proportion to their existing shareholdings. In certain circumstances, it may be in the best interests of the Company to allot new shares (or to grant rights over shares) for cash without first offering them to existing shareholders in proportion to their shareholdings.

At the last Annual General Meeting, the Directors were empowered to make limited allotments of new shares for cash other than according to the pre-emption rights, which requires a company to offer all allotments of new shares for cash proportionately to existing shareholders first. This power granted to the Directors at the last Annual General Meeting is due to expire at the conclusion of this year's AGM. Accordingly, this resolution proposes to seek renewal of this power to the Directors. This resolution, which is conditional on Resolution 19 having been passed, would, in accordance with Article 8 of the Articles, authorise the Directors to do this by allowing the Directors to allot shares for cash (i) by way of a rights issue in which the new shares are offered to existing shareholders in proportion to their existing shareholdings; and (ii) to persons other than existing shareholders up to a maximum aggregate nominal amount of £1,308,384 which is equivalent to 5 per cent of the nominal amount of the issued share capital of the Company on 23 February 2016, being the latest practicable date prior to the publication of this Notice.

If given, the authority will expire at the conclusion of the next Annual General Meeting in 2017. The Directors intend to renew such power at subsequent Annual General Meetings in accordance with current best practice.

The Directors have no current plans to allot shares, except in connection with employee share schemes. The Directors do not intend to issue more than 7.5 per cent of the issued ordinary share capital of the Company in any rolling three year period without prior consultation with shareholders.

Authority for the Company to purchase its own shares (Resolution 21)

This Resolution gives the Company the authority to buy back up to 52,335,334 Ordinary Shares in accordance with Article 12 of the Articles. This represents approximately 10 per cent of the Company's issued ordinary share capital as at 23 February 2016, being the latest practicable date before the publication of this Notice. The authority would expire at the conclusion of the 2017 Annual General Meeting or, if earlier, 24 June 2017. The Board intends to seek renewal of this power at subsequent Annual General Meetings in accordance with current best practice.

The minimum price that may be paid by the Company for an Ordinary Share is its nominal value and the maximum price which may be paid by the Company for an Ordinary Share is the higher of:

- (a) an amount equal to 5 per cent. above the average of the middle market quotations of an Ordinary Share (as derived from the London Stock Exchange Daily Official List) for the five business days immediately preceding the date on which that Ordinary Share is contracted to be purchased; and
- (b) an amount equal to the higher of (i) the price of the last independent trade of an Ordinary Share; and (ii) the highest current independent bid for an Ordinary Share on the London Stock Exchange at the time the purchase is carried out.

Any buy back of Ordinary Shares would be made on the London Stock Exchange.

In certain circumstances, it may be advantageous for the Company to purchase its own shares and Resolution 21 seeks authority from shareholders to continue to do so. Authority was given to the Company to make market purchases up to an aggregate of 52,143,943 of its Ordinary Shares at the Annual General Meeting held on 25 March 2015 (being equal to approximately 10 per cent. of the Company's issued ordinary share capital as at 4 February 2015, the last practicable date prior to the publication of the notice of the Annual General Meeting held on 25 March 2015). This authority is due to expire at the end of the Annual General Meeting to be held on 24 March 2016 and it is proposed that the Company be authorised to continue to make market purchases up to an aggregate of approximately 10 per cent of the Company's issued ordinary share capital. The Directors will continue to exercise this power only when, in the light of market conditions prevailing at the time, they believe that the effect of such purchases will be in the best interests and to the corporate benefit of shareholders generally. The Directors consider it to be desirable for this general authority to be available to provide flexibility in the management of the Company's capital resources over the next 12 months. In addition, other investment opportunities, appropriate gearing levels and the overall position of the group will also be taken into account when determining whether to exercise this authority. The Company may hold in treasury any of its own shares that it purchases pursuant to the authority conferred by this resolution. This gives the Company the ability to reissue treasury shares quickly and cost-effectively and provides the Company with greater flexibility in the management of its capital base. It also gives the Company the opportunity to satisfy employee share scheme awards with treasury shares.

The total number of options to subscribe for shares outstanding as at 23 February 2016 being the latest practicable date before the publication of this Notice, was 19,755,631. This represents 3.8 per cent of the issued share capital at that date. If the Company was to buy back the maximum number of Ordinary Shares permitted pursuant to this resolution, then the total number of options to subscribe for Ordinary Shares outstanding at 23 February 2016 would represent 4.2 per cent of the reduced share capital.

Notice period for general meetings (Resolution 22)

The Companies (Shareholders' Rights) Regulations 2009 (the "Shareholders' Rights Regulations") increased the notice period for general meetings of an English company to 21 clear days unless shareholders approve a shorter period, which cannot be less than 14 clear days. The Company has committed to comply with the Shareholders' Rights Regulations to the extent practicable as if it were an English company. Accordingly, at the Annual General Meeting of the Company held on 25 March 2015, shareholders authorised the calling of general meetings other than an Annual General Meeting on not less than 14 clear days' notice. Resolution 22 seeks the approval of shareholders to renew the authority to be able to call general meetings (other than an Annual General Meeting) on not less than 14 clear days' notice. The flexibility offered by Resolution 22 will be used where, taking into account the circumstances, the Directors consider this appropriate in relation to the business to be considered at the meeting and in the interests of the Company and shareholders as a whole.

The Company undertakes to meet the requirements for electronic voting under the Shareholders' Rights Regulations before calling a general meeting on not less than 14 clear days' notice. If given, the approval will be effective until the Company's next Annual General Meeting, when it is intended that a similar resolution will be proposed.

Appendix 1

Summary of the Rules of the Beazley Savings-Related Share Option Plan for U.S. Employees (the “Plan”)

Overview

The Plan is an “all-employee” share option plan which will give participating US employees (“Optionholders”) the opportunity to acquire ordinary shares in the Company (“Shares”) using between \$10 and £500 a month or such other amount permitted under the relevant legislation.

The Plan has been designed to satisfy the requirements of section 423 of the Internal Revenue Code so that options (“Options”) granted under it will offer beneficial tax treatment to the Optionholder and the member of the group employing the Optionholder.

Savings contracts

Under the Plan, employees will be required to make regular savings in accordance with a savings contract (a “Savings Contract”).

Eligibility

Each person who is an employee for tax purposes (excluding any part-time employee working less than 20 hours per week and any temporary employee working pursuant to a contract for less than 5 months temporary employment) of any subsidiary that employs U.S. persons (which is a designated subsidiary for the purposes of the Plan) and has been in continuing employment for a minimum 1 month period prior to the first day of any invitation period will be invited to join the Plan.

Exercise price

The proceeds of the Savings Contract can be used to exercise an Option to acquire Shares at an exercise price set at the date of invitation, which may not be less than 85% of the market value of a Share on the date the Option is granted

When calculating the market value of a Share for setting the exercise price, the average middle quotation of a Share for the dealing day immediately preceding the date of grant as derived from the Official List of the London Stock Exchange shall be used for Shares listed on the Official List.

The value shall be converted into U.S. dollars using the currency exchange rate quoted by the Financial Times in effect on that date, and shall not be adjusted to reflect any subsequent change in currency exchange rates.

Exercise of Options

Ordinarily, an Option may be exercised between the second anniversary of the date of grant and the last day of the twenty-seventh month following the date of grant (the “Expiration Date”).

Cessation of employment

- If an Optionholder dies whilst holding an Option, his personal representatives will have up to six months from the date of death to exercise the Option.
- An Optionholder may also exercise Options for a period of up to six months following the date of termination of employment by reason of disability.
- Options may also be exercised for a period of up to three months from the date the Optionholder ceases employment due to injury, position elimination or retirement, or his employment being transferred such that he is no longer an employee of the Company or a designated subsidiary for the purposes of the Plan.
- In the event that the Optionholder has committed wilful fraud or material dishonesty, deliberately or intentionally failed to substantially perform his duties resulting in material harm to the Company, or where the employee has been convicted of or entered a plea of no contest to a criminal charge with respect to the commission of a felony, Options will lapse on the termination of the Optionholder’s employment for one of the aforementioned reasons.

Where an Optionholder ceases to hold office or employment for any other reason, unvested Options will usually lapse on cessation and vested Options may be exercised for 30 days thereafter.

Corporate events

Options may be exercised early on the occurrence of a corporate event, for example where a general offer is made to acquire the whole of the issued ordinary share capital of the Company, where the court sanctions a compromise or arrangement for the purposes of a change of control of the Company or where there is a mandatory winding up.

Options may also be exchanged for options over shares in an acquiring company in certain circumstances.

Overall Plan limits

In any ten year period, the number of Shares which may be issued under the Plan and under any other employees’ share plan adopted by the Company may not exceed ten per cent of the issued share capital of the Company from time to time.

In addition, the number of Shares which may be used to satisfy options granted to U.S. employees may not exceed 5 million Shares.

These limits may be adjusted in the event of a variation of the Company's share capital or similar events.

Amendments

The Board, by way of resolution, may amend the rules of the Plan provided that prior approval of the Company's shareholders in a general meeting is obtained for amendments to the advantage of eligible employees or Optionholders.

No amendment which would adversely affect any existing Optionholder rights may be made unless the Board has obtained prior approval by the majority of those Optionholders.

However, any minor amendment to the Plan to benefit administration, to take into account legislative changes, or to obtain or maintain favourable tax treatment, exchange control or regulatory treatment may be made by the Board without shareholder approval.

Variation of share capital

In the event of any capitalisation, consolidation, sub-division or reduction of the share capital of the Company, the Board may make such adjustments as it considers appropriate provided that no variation is made which would result in the exercise price for a Share being less than its nominal value.

Termination

The Plan will terminate on the tenth anniversary of its approval by shareholders.

Benefits not pensionable

Optionholders have no rights to pension in respect of Plan benefits.

Options not transferable

Options granted under the Plan are not transferable other than to the Optionholder's personal representatives in the event of death.