

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the action you should take, you are recommended to seek immediately your own financial advice from your stockbroker, bank manager, accountant or other independent financial adviser authorised under the Financial Services Markets Act 2000, if you are in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your shares in Hiscox Ltd, please forward this document, together with the accompanying documents at once 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 or transferee. However, these documents should not be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws of such jurisdiction.

If you have sold or transferred only part of your holding of shares in Hiscox Ltd, you should retain these documents and consult the bank, stockbroker or other agent through whom the sale or transfer was effected.

HISCOX LTD

(Incorporated and registered in Bermuda with registered number 38877)

Scrip Dividend Scheme

This document contains the terms and conditions of the Hiscox Ltd Scrip Dividend Scheme (the **Scrip Dividend Scheme**). **As previously announced no scrip dividend alternative was made available in respect of the second interim dividend paid on 7 April 2016.** The Scrip Dividend Scheme will therefore only apply to any subsequent interim or final dividends in respect of which a scrip dividend alternative is offered by the Company. An expected timetable in relation to the application of the Scrip Dividend Scheme to a particular dividend will be made available on the Company's website at or around the time the dividend is announced.

This Scrip Dividend Scheme is the successor to the Company's Scrip Dividend Alternative scheme (the **2011 Scheme**) which was adopted in 2011 and comes to an end at the 2016 Annual General Meeting. All elections made under the 2011 Scheme (other than those made via CREST) will remain in force for the purposes of the Scrip Dividend Scheme and will apply for all future dividends to which the Scrip Dividend Scheme applies until cancelled by you in writing.

This document does not constitute a prospectus nor does it constitute an admission document drawn up in accordance with the Listing Rules.

Notice of an Annual General Meeting of Hiscox Ltd to 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 19 May 2016 at 11.00 am (3.00 pm (BST)), at which authority for the Directors to offer a scrip dividend alternative will be sought, accompanies this document.

The information contained in this document is accurate only as at the date of this document. Except to the extent required by applicable law, the Listing Rules or the Disclosure and Transparency Rules, Hiscox Ltd will not necessarily update any of the statements in light of new information or future events and does not undertake to do so.

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Part I - Letter from the Company Secretary of Hiscox Ltd

To holders of (a) ordinary shares in Hiscox Ltd or (b) depositary interests issued by Capita IRG Trustees Limited in respect of ordinary shares in Hiscox Ltd

14 April 2016

Dear Shareholders and Depositary Interest Holders

SCRIP DIVIDEND SCHEME

I am writing to confirm that the Directors have decided to make available to shareholders a new Scrip Dividend Scheme as the successor to the Company's Scrip Dividend Alternative scheme (the **2011 Scheme**) which was adopted in 2011 and comes to an end at the forthcoming Annual General Meeting. The terms and conditions of the new Scrip Dividend Scheme are contained in this document.

As previously announced no scrip dividend alternative was made available in respect of the second interim dividend paid on 7 April 2016.

The Scrip Dividend Scheme will therefore only apply to any subsequent interim or final dividends in respect of which a scrip dividend alternative is offered by the Company. The scheme will be available for a period of three years from the date of the forthcoming Annual General Meeting. A resolution granting authority for the Directors to offer a scrip dividend alternative will be proposed for approval at this meeting.

Scrip dividends are attractive because they enable Shareholders and Depositary Interest Holders to increase their holding or interest in the Company in a simple manner without incurring any dealing costs. At the same time, the Company can retain more cash for reinvestment in its business, which would otherwise be paid as a dividend.

Further details of the Scrip Dividend Scheme and the procedure to be followed are set out below. All elections made under the 2011 Scheme (other than those made via CREST) will remain in force for the purposes of the Scrip Dividend Scheme and will apply for all future dividends to the extent a scrip dividend alternative is then offered and to which the Scrip Dividend Scheme applies until cancelled by you in accordance with the terms and conditions of the Scrip Dividend Scheme.

Whether or not you should elect to receive New Shares or New Depositary Interests instead of cash dividends may depend on your own personal tax

circumstances. For a UK resident individual Shareholder or Depositary Interest Holder, receipt of New Shares or New Depositary Interests will currently be treated as income for UK tax purposes. The tax treatment may change during the period for which the Scrip Dividend Scheme is available. The tax treatment for other categories of Shareholders may differ. Further information is set out in paragraph 14 of the Terms and Conditions at Part II of this document.

If you are in any doubt about what course of action to take in respect of the Scrip Dividend Scheme, or if you are resident or otherwise subject to taxation in a jurisdiction outside the United Kingdom, you should consult immediately your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

The attention of Shareholders not resident in the United Kingdom is drawn to paragraph 10 of the Scrip Dividend Scheme Terms and Conditions as detailed at Part II of this document.

Shareholders who do not already have a current election in force for the scrip alternative under the 2011 Scheme will be sent a Scrip Mandate Form on the next occasion that the Directors decide to offer a scrip dividend alternative in respect of a dividend. If you complete a Scrip Mandate Form or you have previously completed a Scrip Mandate Form under the 2011 Scheme, your election will remain in force (subject to paragraph 13 of the Scrip Dividend Scheme Terms and Conditions) in respect of your entire holding of Shares for all future dividends to the extent a scrip dividend alternative is then offered and to which the Scrip Dividend Scheme applies until cancelled by you in writing.

Scrip Mandate Forms must be received by Capita Asset Services by no later than the date advised by the Company when a dividend is announced to the extent a scrip dividend alternative is then offered and to which the Scrip Dividend Scheme applies in order to be eligible for that dividend. Scrip Mandate Forms received by Capita Asset Services after that

date will be applied in respect of the next dividend declared by the Company to the extent a scrip dividend alternative is then offered and to which the Scrip Dividend Scheme applies.

Shareholders who elect for the Scrip Dividend Scheme may cancel their Mandate at any time by writing to Capita Asset Services. For a cancellation to be effective in respect of a particular dividend to the extent a scrip dividend alternative is then offered and to which the Scrip Dividend Scheme applies, it must be received by not later than the deadline advised by the Company when a dividend is announced for receipt of Scrip Mandate Forms. If it is received after that date, it will not apply to that dividend but it will apply in respect of all subsequent dividends declared by the Company to the extent a scrip dividend alternative is then offered and to which the Scrip Dividend Scheme applies.

Depositary Interest Holders who wish to elect for the Scrip Dividend Scheme should make an election via the CREST system. If a Depositary Interest Holder elects via the CREST system, such election will apply (subject to paragraph 13 of the Scrip Dividend Scheme Terms and Conditions) only to the next dividend declared by the Company to the extent a scrip dividend alternative is then offered and to which the Scrip Dividend Scheme applies, but not to any subsequent dividends (i.e. if a Depositary Interest Holder wishes to participate in the Scrip Dividend Scheme in relation to more than one dividend declared by the Company, such Depositary Interest Holder must make separate elections in respect of each such dividend). Any election made via the CREST system by a Depositary Interest Holder in respect of the 2011 Scheme will not apply with respect to the Scrip Dividend Scheme.

If you wish to receive dividends in cash in the usual way, you need take no action and should disregard this document unless you have made an election under the 2011 Scheme (other than one made via CREST) as this election will remain in force for the purposes of the Scrip Dividend Scheme and will apply for all future dividends to the extent a scrip dividend alternative is then offered and to which the Scrip Dividend Scheme applies until such election is cancelled by you in accordance with the terms and conditions of the Scrip Dividend Scheme.

Completion of allotments under the Scrip Dividend Scheme is subject to several conditions, namely shareholder approval of the resolution which will be proposed at the Annual General Meeting to give authority to the Directors to offer scrip dividend alternatives for three years, admission of the New Shares to the Official List of the UKLA and to trading on the London Stock Exchange and sufficient authority under Bye-Law 5 of the Company's Bye-Laws. If any of these conditions are not met, the Scrip Dividend Scheme will not be introduced or will be cancelled (as the case may be) and dividends will be paid in cash to all Shareholders and Depositary Interest Holders.

In respect of future allotments under the Scrip Dividend Scheme applications will be made by the Company for the New Shares and the New Depositary Interests to be admitted to the Official List of the UKLA and to trading on the London Stock Exchange. On issue, the New Shares will rank pari passu with the then existing issued Shares in the Company and the New Depositary Interests will rank pari passu with the then existing issued Depositary Interests issued by Capita IRG Trustees Ltd in respect of Shares in the Company, in respect of all rights arising on or after the date of issue.

Yours faithfully

Jeremy Pinchin

Company Secretary

Part II - Scrip Dividend Scheme Terms and Conditions

1. The Scrip Dividend Scheme

The Scrip Dividend Scheme enables you, at your election, to receive New Shares or New Depositary Interests in respect of any interim or final dividends to the extent a scrip dividend alternative is then offered instead of the cash dividends you would otherwise receive. This makes it possible in those circumstances for you to increase your shareholding or interest in the Company without going into the market to buy New Shares or New Depositary Interests. You will not incur any dealing costs. Please refer to paragraph 14 below for taxation information.

Please note that the Directors have previously determined and it was announced that no scrip dividend alternative would be offered in respect of the second interim dividend paid on 7 April 2016.

The applicability of the Scrip Dividend Scheme for any future dividend is conditional on the Directors having the authority from Shareholders to offer scrip dividend alternatives. At the Annual General Meeting a resolution will be proposed to give authority to the Directors to offer scrip dividend alternatives for three years following the Annual General Meeting. If this resolution is passed then the Directors will be authorised to implement the Scrip Dividend Scheme although the Directors can cancel the Scrip Dividend Scheme at any time. The Directors have discretion as to whether to offer a scrip dividend alternative for future dividends payable by the Company.

2. Electing for the Scrip Dividend Scheme

Subject to approval of the resolution to be proposed to give authority to the Directors to offer scrip dividend alternatives at the Annual General Meeting Scrip Mandate Forms will be sent to those Shareholders who have no current election in force under the 2011 Scheme. Those shareholders can elect for the Scrip Dividend Scheme by signing and returning such a Scrip Mandate Form (which may be amended from time to time) in accordance with the instructions thereon. All elections made under the 2011 Scheme (other than those made via CREST) will remain in force for the purposes of the Scrip Dividend Scheme and will apply for all future dividends to the extent a scrip dividend alternative is then offered and to which the Scrip Dividend Scheme

applies until cancelled by you in accordance with the terms and conditions of the Scrip Dividend Scheme.

Scrip Mandate Forms must be received by Capita Asset Services by no later than the date advised by the Company when a dividend is announced to the extent a scrip dividend alternative is then offered and to which the Scrip Dividend Scheme applies in order to be eligible for that dividend. Details of the expected timetable in relation to the application of the Scrip Dividend Scheme to a particular dividend (including the Dividend Payment Date, the Ex dividend Date and the Record Date for any dividend) will be available on the Company's website at www.hiscoxgroup.com and from the documentation provided to Shareholders by the Company in respect of that dividend or by contacting Capita Asset Services on their helpline as indicated below. **The Company intends that the last date for electing for any scrip dividend under the Scrip Dividend Scheme and therefore for receipt of any Scrip Mandate Forms or an electronic election via the CREST system will be prior to the date on which the scrip reference share price is determined. If it is not possible for such a timetable to apply in respect of any future dividends the Company reserves the right not to make an offer under the Scrip Dividend Scheme of New Shares, and an offer of New Depositary Interests, in respect of any particular dividend.**

For each Shareholder, a Scrip Mandate Form will remain in force in respect of your entire holding of Shares for all future dividends to the extent a scrip dividend alternative is then offered and to which the Scrip Dividend Scheme applies until cancelled by you in writing.

Any Scrip Mandate Form sent to an address other than that stated for Capita Asset Services in respect of the Form when despatched will not be accepted or considered valid.

Depositary Interest Holders who wish to elect for the Scrip Dividend Scheme should elect to participate in the Scrip Dividend Scheme by way of an electronic election via the CREST system, in accordance with the procedures for electronic elections set out in the CREST Manual. Any election made by a Depositary Interest Holder in respect of the 2011 Scheme will not apply with respect to the Scrip Dividend Scheme.

Please note that no other form of election by or on behalf of Depositary Interest Holders (including by way of the delivery of a Scrip Mandate Form) will be accepted by the Company or Capita Asset Services. If received, any such alternative form of election will be rejected and returned to the relevant Depositary Interest Holder.

Where a valid election to participate in the Scrip Dividend Scheme is made by way of an electronic election via the CREST system, this election will be valid (unless and until cancelled by such Depositary Interest Holder) only in respect of the next dividend declared by the Company following the date of such election to the extent a scrip dividend alternative is then offered and to which the Scrip Dividend Scheme applies, but not to any future dividends. Depositary Interest Holders who wish to participate in the Scrip Dividend Scheme in relation to more than one dividend declared by the Company must make separate elections in respect of each such dividend.

In order to be valid, elections made via the CREST system must contain a number of Depositary Interests in relation to which an election to participate in the Scrip Dividend Scheme is being made. If the relevant field is left blank or completed with a zero, the election will be rejected. If the number of Depositary Interests in relation to which an election to participate in the Scrip Dividend Scheme is being made is greater than the number of Depositary Interests held in CREST for the relevant Depositary Interest Holder on the applicable record date, the election will be deemed to have been made in respect of that Depositary Interest Holder's total holding of Depositary Interests held on the applicable record date.

If you are a CREST Personal Member, or other CREST Sponsored Member, you should consult your CREST Sponsor, who will be able to take appropriate action on your behalf.

Upon execution of a Scrip Mandate Form or electronic election via the CREST system, such Shareholder or Depositary Interest Holder (as the case may be) is deemed (in respect of himself, his heirs, successors and assigns): (a) to agree to participate in the Scrip Dividend Scheme pursuant to these terms and conditions; and (b) (i) in respect of each Shareholder, to authorise the Company or its agent to send to the relevant Shareholder at that Shareholder's registered address any definitive share

certificate in respect of New Shares allotted, and (ii) in respect of each Depositary Interest Holder, to authorise Capital IRG Trustees Ltd to send to the relevant Depositary Interest Holder a statement showing the number of New Depositary Interests allotted, the scrip reference share price and the total cash equivalent of the New Depositary Interests.

For details regarding overseas Shareholders and Depositary Interest Holders, please see paragraph 10 below.

3. Number of New Shares and New Depositary Interests

The number of New Shares and New Depositary Interests that Shareholders and Depositary Interest Holders will receive in respect of each dividend will depend on the amount of the cash dividend, any residual cash balance brought forward (in the case of Shareholders only) from the last scrip dividend (including, where relevant, under the 2011 Scheme), the number of shares or Depositary Interests held and the scrip reference share price to be used in calculating the scrip entitlement of the relevant Shareholder or Depositary Interest Holder. The scrip reference share price will be equal to the average middle market quotation for a fully paid share of the Company (adjusted if necessary) as shown on the London Stock Exchange Daily Official List or as established from such other source as the directors of the Company consider appropriate for a period of five business days commencing on such date as the directors of the Company may decide which will be advised by the Company when a dividend is announced to the extent a scrip dividend alternative is then offered. The scrip reference share price will be posted on the Company's website www.hiscoxgroup.com. The formula used for calculating the maximum number of New Shares, and the maximum number of New Depositary Interests, to be received for each dividend declared by the Company is set out below:

(Number of Shares held at the dividend record date X cash dividend rate) + any fractional cash entitlement carried forward from last dividend* ÷ Scrip reference share price
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*Fractional cash entitlements will be available for Shareholders only, and fractional cash entitlements will be carried forward from scrip dividends for which a Shareholder has participated under the 2011 Scheme.

Once the New Shares have been issued, (a) a new share certificate and (b) a statement showing the number of New Shares allotted, the scrip reference share price and the total cash equivalent of the New Shares, will be sent to the relevant Shareholders.

For details regarding the issue of New Depositary Interests, please see paragraph 7 below.

4. Fractions and cash balances

No fraction of a New Share will be allotted and calculations of entitlements to New Shares will always be rounded down to the nearest whole New Share. Any residual cash balance will either: (a) in the case of Shares, be carried forward to be included in the calculation of New Shares to be issued in respect of the next dividend declared by the Company to the extent a scrip dividend alternative is then offered and to which the Scrip Dividend Scheme applies; or (b) in the case of Depositary Interests, paid in cash on the relevant dividend payment date. No interest will be paid on any residual cash balances.

5. Future dividends

Once a Shareholder has returned a valid Scrip Mandate Form, the relevant mandate will apply for all successive dividends to the extent a scrip dividend alternative is then offered and to which the Scrip Dividend Scheme applies unless and until it is cancelled in writing by the Shareholder. Once a Depositary Interest Holder has made a valid electronic election via the CREST system, the relevant election will apply only for the next dividend payable by the Company to the extent a scrip dividend alternative is then offered and to which the Scrip Dividend Scheme applies unless it is cancelled by the Depositary Interest Holder by no later than the date advised by the Company when a dividend is announced as the last date to make scrip elections.

The Scrip Dividend Scheme is always subject to the Directors' decision to offer a scrip dividend alternative. The Directors may decide for any reason whatsoever not to offer a scrip dividend alternative in respect of any future dividend.

All New Shares and New Depositary Interests issued under the Scrip Dividend Scheme will automatically increase Shareholders' and Depositary Interest Holders' holdings which will form the basis on which the entitlement to any subsequent scrip dividend will be calculated. Where the cash dividend is insufficient to acquire New Shares or New Depositary Interests: (a) funds representing each Shareholders' fractional cash entitlements will be accumulated for their benefit, and then (i) added to the cash amount of their subsequent dividends in respect of which a scrip dividend alternative is offered and applied in calculating Shareholders' entitlements under those dividends, or (ii) paid out to each relevant Shareholder where a scrip dividend alternative is not offered or to be applied in respect of a subsequent dividend; or (b) funds representing Depositary Interest Holders' fractional entitlements will be paid out to each relevant Depositary Interest Holder.

If you withdraw from the Scrip Dividend Scheme or sell or transfer your entire holding of or interest in Shares or if the Company terminates the Scrip Dividend Scheme any cash balance of less than £5 will be paid to a charity of the Company's choice.

6. Listing and ranking of the New Shares and the New Depositary Interests

Application will be made to the UKLA and the London Stock Exchange for admission to listing and trading of the New Shares and the New Depositary Interests. The New Shares will be credited as fully paid and will rank equally in all respects with the existing shares (including the same voting rights). Equally, the New Depositary Interests will rank pari passu with the existing Depositary Interests issued by Capita IRG Trustees Ltd in respect of Shares in the Company, in respect of all rights arising on or after the date of issue.

If for any reason the New Shares and/or the New Depositary Interests are not admitted to such listing or trading the Company will pay the relevant dividend in cash in the usual way as soon as practicable.

7. Share certificates and dealings in the New Shares and New Depositary Interests

Subject to the New Shares and the New Depositary Interests being admitted to the Official List of the UKLA and to trading on the London Stock Exchange:

(a) new share certificates will be posted, at Shareholders' own risk, on or about the same date as dividend warrants are posted to Shareholders who are taking the dividends in cash (see our website www.hiscoxgroup.com for the expected dates in respect of each relevant dividend); and (b) Depositary Interest Holders will have their member accounts credited directly with the New Depositary Interests on the dividend payment date or as soon as practicable thereafter and will separately receive a statement showing the number of New Depositary Interests allotted, the scrip reference share price and the total cash equivalent of the New Depositary Interests.

Dealings in the New Shares and the New Depositary Interests are expected to begin on the relevant dividend payment date.

8. Multiple and joint holdings

If a Shareholder's shares or Depositary Interest Holder's Depositary Interests are registered in more than one holding, unless such multiple holdings are consolidated before the scrip election date, they will be treated as separate. As a result, separate Scrip Mandate Forms will need to be completed, or separate electronic elections made via the CREST system, for each holding if Shareholders and Depositary Interest Holders wish to receive New Shares or New Depositary Interests, respectively, under the Scrip Dividend Scheme in respect of each holding.

In respect of holdings held in joint names, all joint Shareholders or Depositary Interest Holders must sign the Scrip Mandate Form or elect electronically via the CREST system (as the case may be).

9. Partial elections

Scrip Mandate Forms will only be accepted in relation to whole shareholdings. The Directors may, at their discretion, allow a Depositary Interest Holder to elect in respect of a lesser number of Depositary Interests where they are acting on behalf of more than one beneficial holder, that is, through a nominee depositary interest holding held in CREST. Any such related electronic election via the CREST system

must contain the number of Depositary Interests for which the election is being made. Such election must be renewed for each dividend. A cash dividend will be paid on any remaining Depositary Interests not included in the election.

10. Overseas Shareholders and Depositary Interest Holders

Shareholders and Depositary Interest Holders who are resident outside the UK may treat this document as an invitation to receive New Shares or New Depositary Interests, respectively, unless such an invitation could not lawfully be made to such Shareholders and Depositary Interest Holders without compliance with any registration or other legal or regulatory requirements in the relevant non-UK jurisdiction. It is the responsibility of any person resident outside the UK wishing to elect to receive New Shares or New Depositary Interests pursuant to the Scrip Dividend Scheme to be satisfied that such an election can validly be made without any further obligation on the part of the Company, and to be satisfied as to full observance of the laws of the relevant territory, including obtaining any governmental, regulatory or other consents which may be required and observing any other formalities in such territories and any resale restrictions which may apply to the New Shares or the New Depositary Interests. Unless this condition (i.e. that any person resident outside the UK and wishing to participate in the Scrip Dividend Scheme must take responsibility for being satisfied that such an election can be validly made) is met, such Shareholders and Depositary Interest Holders may not participate in the Scrip Dividend Scheme or sign a Scrip Mandate Form or elect electronically via the CREST system (as the case may be).

11. Recent sale or purchase of Shares or Depositary Interests

If Shareholders or Depositary Interest Holders have sold some of their Shares or Depositary Interests, respectively, prior to a dividend record date, the Scrip Dividend Scheme will apply in respect of the remainder of such Shareholders' Shares or Depositary Interest Holders' Depositary Interests accordingly. If Shareholders or Depositary Interest Holders have bought any additional Shares or Depositary Interests, respectively, after a dividend record date, the additional Shares or Depositary Interests will not be eligible for the next dividend

declared by the Company, but will be eligible for future dividends to the extent a scrip dividend alternative is then offered and to which the Scrip Dividend Scheme applies, without the need to complete a further Scrip Mandate Form in respect of the additional Shares, although there will be a need to elect again via the CREST system in respect of additional Depositary Interests.

12. Cancellation of Mandates and electronic elections

Shareholders may cancel their Scrip Dividend Mandates at any time. Notice of cancellation must be received by Capita Asset Services, by no later than the date advised by the Company when a dividend is announced for receipt of the Scrip Mandate Forms. If a notice of cancellation is received after that date, the Shareholder will receive additional shares under the Scrip Dividend Scheme in respect of the relevant dividend to the extent a scrip dividend alternative is then offered and to which the Scrip Dividend Scheme applies and the cancellation will take effect for subsequent dividends. A Mandate will be deemed to be cancelled if such Shareholder sells or otherwise transfers their Shares to another person but only with effect from the registration of the relevant transfer. If a Shareholder sells or transfers the entire shareholding before or on the last date for the receipt of elections for a particular dividend, such Shareholder will be withdrawn from the Scrip Dividend Scheme for that dividend.

Depositary Interest Holders may cancel their election to participate in the Scrip Dividend Scheme at any time by way of a message sent via the CREST system except that, for a cancellation instruction to be effective for a relevant dividend, it must be received by not later than 5.00p.m. (London time) on the date advised by the Company when a dividend is announced as the last date to make scrip elections.

A Shareholder's Mandate or Depositary Interest Holder's election will terminate immediately on receipt of notice of such Shareholder's or Depositary Interest Holder's death. However, if a joint Shareholder or Depositary Interest Holder dies, the Mandate or election will continue in favour of the surviving joint Shareholder(s) or Depositary Interest Holder(s) (unless and until cancelled by the surviving joint Shareholder(s) or Depositary Interest Holder(s) or, in the case of Depositary Interest Holders, terminated upon the payment of the next dividend in

accordance with paragraph 2 above,). Any residual amounts over £5 standing to the credit of a Shareholder or Depositary Interest Holder will be paid to such Shareholder or Depositary Interest Holder in cash (by cheque) on or as soon as practicable after the cancellation. Where such residual amount is under £5, such sums will be paid to a charity of the Company's choice.

Any notice sent to an address other than that stated in respect of a Scrip Mandate Form will not be accepted or considered valid.

13. Changes to or cancellation of the Scrip Dividend Scheme

The Directors may at any time, at their discretion and without notice to Shareholders or Depositary Interest Holders, modify, suspend, terminate or cancel the Scrip Dividend Scheme. In the case of any modification, existing Mandates and electronic elections (unless otherwise specified by the Directors) will be deemed to remain valid under the modified arrangements unless and until Capita Asset Services or CREST (as the case may be) receives a cancellation from such Shareholders or Depositary Interest Holders pursuant to paragraph 12 above. If the Scrip Dividend Scheme is terminated or cancelled by the Directors, all Mandates and electronic elections then in force will be deemed to have been cancelled as at the date of such termination or cancellation.

The operation of the Scrip Dividend Scheme is always subject to the Directors' decision to make an offer of New Shares, and an offer of New Depositary Interests, in respect of any particular dividend. The Directors also have the power, after such an offer is made, to revoke the offer generally at any time prior to the allotment of New Shares (and New Depositary Interests) under the Scrip Dividend Scheme.

If the Directors revoke an offer (or otherwise suspend, terminate or cancel the Scrip Dividend Scheme or any Scrip Mandate Forms), Shareholders and Depositary Interest Holders will receive their dividend in cash on or as soon as reasonably practicable after the relevant dividend payment date.

14. Taxation

The tax consequences of electing to receive New Shares or New Depositary Interests instead of a cash dividend will depend on your individual circumstances.

If you are not sure how you will be affected from a tax perspective, you should consult your solicitor, accountant or other professional adviser before taking any action. UK resident trustees, corporates, pension funds and other Shareholders and Depository Interest Holders, including overseas Shareholders and Depository Interest Holders, are advised to contact their professional advisers regarding their own tax circumstances before taking any action in relation to the Scrip Dividend Scheme.

UK Taxation

The following information is provided as a general guide to current UK tax law and the current practice of HMRC both of which are subject to change at any time. It is not advice. The information is intended to apply only to Shareholders who are resident (or in the case of an individual, domiciled and resident) in the UK for UK tax purposes, who hold Shares as investments and who are the absolute beneficial owners of Shares.

Income tax

For New Shares received under the Scrip Dividend Scheme on or after 6 April 2016 the income tax treatment will be as follows.

The cash equivalent of the New Shares or New Depository Interests received under the Scrip Dividend Scheme will be treated as income received for income tax purposes ("scrip dividend income").

The notional 10% dividend tax credit is abolished from 6 April 2016 and therefore it will not be necessary to gross up the scrip dividend income before charging income tax.

An overall dividend nil rate of 0% will apply to an individual's total dividend income (including scrip dividend income) from all sources in a tax year to the extent that this is £5,000 or less. No income tax will be payable on scrip dividend income within this limit.

Where the £5,000 limit is exceeded the tax rate charged on scrip dividend income will be –

- For individuals paying income tax at the basic rate of 20% - a 7.5% rate will apply to the scrip dividend income
- For individuals paying income tax at the higher rate of 40% - a 32.5% rate will apply to the scrip dividend income

- For individuals paying income tax at the additional rate of 45% - a 38.1% rate will apply to the scrip dividend

As the notional 10% dividend tax credit is abolished from 6 April 2016, no credit will be given against the income tax charged as set out above.

Capital gains tax

A Shareholder who is an individual resident (for tax purposes) in the United Kingdom and who elects to receive New Shares under the Scrip Dividend Scheme will be treated as having acquired those New Shares for an amount equal to the cash equivalent, that is, the amount of the cash dividend which the Shareholder would have received had they not elected to take New Shares, unless the market value of the New Shares differs substantially from the foregone cash dividend (i.e. by more than 15%) in which case the market value will be treated as the cash equivalent of the New Shares for UK taxation purposes.

Corporation tax

To the extent that a company which is resident (for tax purposes) in the UK elects to receive New Shares, the issue of the New Shares should not give rise to a charge for corporation tax. No acquisition cost should be obtained for the New Shares and the calculation of any chargeable gain or allowable loss on a future disposal of all or part of that company's holding should fall to be made by reference to the base cost of the original holding.

15. Governing law

The Scrip Dividend Scheme is subject to the Company's Bye-Laws and these terms and conditions, as amended from time to time, and is governed by, and its terms and conditions are to be construed in accordance with, English law. By electing to receive New Shares or New Depository Interests, the relevant Shareholder or Depository Interest Holder agrees to submit to the exclusive jurisdiction of the English courts in relation to the Scrip Dividend Scheme.

Contacts

For general enquiries about the Scrip Dividend Scheme, please contact Capita Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open

between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. The helpline cannot provide advice on the merits of the Scrip Dividend Scheme nor give any personal financial, legal or tax advice.

Part III - Definitions

Annual General Meeting the Annual General Meeting of Hiscox Ltd to be held at to 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 19 May 2016 at 11.00 am (3.00 pm (BST))

2011 Scheme the Hiscox Ltd Scrip Dividend Alternative scheme adopted at the annual general meeting of the Company held on 8 June 2011

Capita Asset Services a trading name of Capita Registrars Limited

CREST the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI/3755)) in respect of which Euroclear UK & Ireland Limited is the operator

CREST Manual the rules governing the operation of CREST consisting of the CREST Reference Manual, the CREST International Manual, the CREST Central Counterparty Service Manual, the CREST Rules, the CCSS Operations Manual, and the CREST Glossary of Terms, each as amended from time to time

CREST Personal Member a person who has been admitted to CREST as a system-member, as defined in the CREST Manual

CREST Sponsor a CREST participant admitted to CREST as a CREST Sponsor

CREST Sponsored Member a CREST member admitted to CREST as a CREST Sponsored Member

Depositary Interests depositary interests issued by Capita IRG Trustees Limited in respect of Shares in the Company

Depositary Interest Holder a holder of depositary interests issued by Capita IRG Trustees Limited in respect of shares in the Company

Directors the directors of Hiscox Ltd

Disclosure and Transparency Rules the Disclosure and Transparency Rules made under Part VI of FSMA (as set out in the FSA Handbook), as amended

Hiscox or Company Hiscox Ltd, incorporated and registered in Bermuda under registration number 38877

Listing Rules the Listing Rules made under Part VI of FSMA (as set out in FSA Handbook), as amended

London Stock Exchange London Stock Exchange plc

New Depositary Interests the new Depositary Interests to be issued by Capita IRG Trustees Limited pursuant to the Scrip Dividend Scheme

New Shares the new Shares to be issued by the Company under the Scrip Dividend Scheme

Scrip Dividend Scheme the Hiscox Ltd Scrip Dividend Scheme as comprised under, and subject to the terms and conditions contained in, Part II of this document, as amended from time to time

Scrip Dividend Mandate or Mandate the instructions of a Shareholder as set out in a valid Scrip Mandate Form

Scrip Mandate Form a mandate in a form provided by the Company from a Shareholder to the Directors to allot New Shares under the terms of the Scrip Dividend Scheme in lieu of a cash dividend to which they may become entitled from time to time

Shareholder a holder of Shares in the Company

Shares ordinary shares of par value 6.5 pence each in the capital of the Company

UKLA the United Kingdom Listing Authority

UK or United Kingdom means the United Kingdom of Great Britain and Northern Ireland and its dependent territories