

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 your own independent financial advice immediately from a stockbroker, bank manager, solicitor, accountant or other independent financial or legal adviser authorised under the Financial Services and Markets Act 2000, if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

2 August 2017



Dear Participant

Novae Group plc Deferred Bonus Plan and the recommended all cash offer for Novae Group plc by AXIS Specialty UK Holdings Limited (a wholly-owned subsidiary of AXIS Capital Holdings Limited)

DBP Awards

As you know, the boards of Novae Group plc ("**Novae**") and AXIS Capital Holdings Limited ("**AXIS**") announced on 5 July 2017 that they had reached agreement on the terms of a recommended all cash acquisition for the entire issued and to be issued share capital of Novae by AXIS Specialty UK Holdings Limited (a wholly-owned subsidiary of AXIS Capital Holdings Limited) ("**AXIS BidCo**") (the "**Acquisition**").

Why are we writing to you?

We are writing to explain how the Acquisition will affect your DBP Award.

Please read everything in this pack. **This pack and its contents are very important.**

If you participate in other Novae share plans you are also being written to separately about the effect that the Acquisition will have on your awards granted under those plans. Please read those letters carefully.

The Acquisition

The Acquisition will result in Novae and its subsidiaries becoming wholly-owned subsidiaries of AXIS.

The Acquisition will take place through what is called a "scheme of arrangement" (the "**Scheme**"). This is a procedure that is subject to approval by Novae Shareholders and the Court. Further information about the Scheme is set out in the Scheme Document dated 2 August 2017 sent to Novae Shareholders on 2 August 2017. Copies of the Scheme Document and of this letter are also available on the Novae website at <http://www.novae.com>.

This letter and its Appendices should be read together with the Scheme Document. A brief

explanation of some of the key terms and definitions used in this letter is given in Appendix B to this letter.

What are the terms of the Acquisition?

The terms of the Acquisition are set out in full in the Scheme Document. However, in summary, Novae Shareholders will be entitled to receive, for each Novae Share they own:

- 700 pence in cash.

When is the Acquisition likely to take place?

The Acquisition is expected to become effective in the fourth quarter of 2017, subject to regulatory and merger control clearances. The proposed timeline is set out in Appendix A.

How does the Acquisition affect your DBP Award?

Normally, the DBP Award would vest on the first, second and third anniversaries of the grant date in three equal tranches, subject to you remaining in employment, and the Novae Shares under the DBP Award would be transferred to you.

However, as a consequence of the Acquisition, your DBP Award will instead vest in full on the Court Sanction Date and the Novae Shares acquired on vesting will then be automatically sold to AXIS BidCo for 700 pence per share.

If the Acquisition does not happen for any reason, your DBP Award will continue as normal, subject to the rules of the DBP.

A detailed explanation of the way in which your DBP Awards will be affected is set out in Appendix A to this letter, including the implications for your DBP Awards if you leave employment. Appendix C to this letter sets out the tax implications of the vesting of your DBP Awards.

Attachments to this letter

The following are provided as attachments to this letter:

- Appendix A explaining how the Acquisition affects DBP Awards.
- Appendix B explaining some key terms and definitions.
- Appendix C summarising the UK tax treatment of the vesting of your DBP Awards.

What do I need to do?

You do not need to do anything for your DBP Award to vest and your Novae Shares to be acquired by AXIS BidCo. This will happen automatically and Novae will receive the cash proceeds for the sale of your Novae Shares on your behalf from AXIS BidCo within 14 days of the Effective Date. Cash proceeds due to you (subject to applicable deductions for income tax and employee social security contributions) will be paid via payroll as soon as reasonably practicable.

For overseas participants, the value will be converted from GBP sterling (£) into your payroll currency and **you will bear the risk of any change in exchange rates.**

What if you have questions?

If you have any questions that relate to your DBP Award, please contact Julie McLeod on jmcleod@novae.com or 020 7050 9238. Please note that no legal, tax or financial advice on the merits of the Acquisition or its effect on your DBP Award can be provided.

You are strongly advised to seek your own independent financial and/or tax advice regarding your personal circumstances and the effect of the Acquisition on your DBP Award.

Important notes

The Novae Board, which has been so advised by Evercore, consider the terms of the proposals described above to be fair and reasonable in the context of the Acquisition. In providing their advice to the Novae Board, Evercore has taken into account the commercial assessments of the Novae Directors.

Nothing in this pack constitutes financial advice to any holder of shares, share awards or share options in Novae or AXIS.

If there is any conflict between the information in this letter and Appendices and the rules of the DBP or any relevant legislation, the rules and the legislation will prevail.

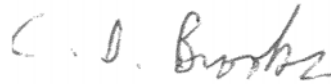
Yours faithfully

Yours faithfully



Alex Moon

For and on behalf of
Novae Group plc



Conrad Brooks

For and on behalf of
AXIS Capital Holdings Limited

The AXIS Directors and the AXIS BidCo Directors accept responsibility for the information contained in this letter and the accompanying documents, save that the only responsibility accepted by each of them in respect of such information as relates to Novae has been to ensure that such information has been correctly and fairly reproduced and compiled. The Novae Directors do not accept responsibility for the information contained in this letter and the accompanying documents as relates to AXIS. To the best of the knowledge and belief of the Novae Directors, the AXIS Directors and the AXIS BidCo Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this letter and the accompanying documents for which they are each responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

Evercore, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting as financial adviser exclusively for Novae and no one else in connection with the matters referred to in this letter and will not regard any other person as its client in relation to the matters referred to in this letter and will not be responsible to anyone other than Novae for providing the protections afforded to clients of Evercore, nor for providing advice in relation to the content of this letter or any matter referred to herein. Neither Evercore nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Evercore in connection with this letter, any statement contained herein or otherwise. Evercore has given and not withdrawn its written consent to the issue of this document with the inclusion of references to its name in the form and context in which they are included.

The Novae Directors accept responsibility for the information contained in this letter and the accompanying documents, save that the only responsibility accepted by them in respect of such information as relates to the AXIS Group, has been to ensure that such information has been correctly and fairly reproduced and compiled. To the best of the knowledge and belief of the Novae Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this letter and the accompanying documents for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

Appendix A

Impact of the Acquisition on DBP Awards

1. The impact on your DBP Awards

As a result of the Acquisition, your DBP Award will vest in full on the Court Sanction Date.

Any Novae Shares that you receive as a result of your DBP Award vesting on the Court Sanction Date will be automatically acquired by AXIS BidCo on the Effective Date and for each Novae Share that is acquired by AXIS BidCo you will be entitled to receive:

- 700 pence in cash.

Please note that AXIS will have the right to reduce the amount of consideration payable by AXIS BidCo for each Novae Share by the amount of any dividend (or other distribution) which is paid or becomes payable by Novae to Novae Shareholders. For further details, please refer to section 15 of Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*) of the Scheme Document.

If the Acquisition does not happen for any reason, all of your DBP Awards will continue as normal, subject to the rules of the DBP.

2. Dividend Equivalents

DBP Awards granted after 31 December 2015 are accruing dividend equivalents. These will be paid to you in cash via payroll (subject to applicable deductions for income tax and employee social security contributions) at the same time as you receive the payment for the Novae Shares you acquire on vesting of your DBP Awards.

3. Leaving Novae before or after the Court Sanction Date

Leaving Novae before the Court Sanction Date

The leaver arrangements under the DBP will apply in the normal way if you leave Novae before the Court Sanction Date. This means that if you leave employment and do not qualify as a “good leaver” under the DBP rules your unvested DBP Awards will lapse on the date that your employment ceases.

If you leave Novae before the Court Sanction Date as a “good leaver” (for example, because of injury or disability or because your employer leaves the Novae Group), your DBP Award will vest on the Court Sanction Date.

Leaving Novae and AXIS after the Court Sanction Date

Your DBP Awards will not be affected if you leave employment after the Court Sanction Date because they will have either vested or lapsed before you left.

4. Expected timeline of principal events

The dates given below are indicative only (and may change) and represent the current expectations of Novae and AXIS.

Date	Event
2 August 2017	Scheme Document sent to Novae Shareholders
29 August 2017	Novae Shareholder meetings to approve the Scheme
A date expected to be in the fourth quarter of 2017, subject to regulatory and merger control clearances (“ D ”) (the expected Court Sanction Date)	All DBP Awards vest
D + 2 (the expected Effective Date)	All Novae Shares are transferred to AXIS Bidco
D + 14 (14 days after the Effective Date)	Latest date by which Novae will receive, on your behalf, the cash proceeds for the Novae Shares you acquired prior to the Effective Date which were sold under the Acquisition. Cash proceeds due to you (less any necessary tax withholdings) will be paid via payroll as soon as reasonably practicable thereafter.

Appendix B

Key terms and definitions

“**Acquisition**” means the recommended all cash acquisition for the entire issued and to be issued share capital of Novae by AXIS BidCo announced by the boards of Novae and AXIS on 5 July 2017;

“**AXIS**” means AXIS Capital Holdings Limited;

“**AXIS BidCo**” means AXIS Specialty UK Holdings Limited;

“**AXIS BidCo Directors**” means the directors of AXIS BidCo as at the date of this letter;

“**AXIS Directors**” means the directors of AXIS as at the date of this letter;

“**AXIS Group**” means AXIS and its subsidiaries and subsidiary undertakings from time to time;

“**Court**” means the High Court of Justice in England and Wales;

“**Court Sanction Date**” means the date on which the Court sanctions the Scheme under section 899 of the Companies Act 2006;

“**Court**” means the High Court of Justice in England and Wales;

“**DBP**” means the Novae Deferred Bonus Plan as amended;

“**DBP Awards**” means conditional share awards over Novae Shares granted to employees and former employees of Novae and its subsidiaries under the DBP;

“**Effective Date**” means the date on which the Scheme becomes effective in accordance with its terms, which is expected to be in the fourth quarter of 2017, subject to regulatory and merger control clearances;

“**Evercore**” means Evercore Partners International LLP;

“**HMRC**” means HM Revenue & Customs;

“**Novae Board**” means the board of directors of Novae collectively;

“**Novae Directors**” means the directors of Novae as at the date of this letter;

“**Novae Group**” means Novae and its subsidiaries and subsidiary undertakings from time to time;

“**Novae Shareholders**” means holders of Novae Shares;

“**Novae Shares**” means ordinary shares of £1.125 each in the capital of Novae;

“**Novae**” means Novae Group plc;

“**Scheme**” means the procedure which requires the approval of the Court by which AXIS BidCo will become the holder of the entire issued and to be issued ordinary share capital of Novae; and

“**Scheme Document**” means the document setting out the terms of the Scheme dated 2

August 2017 sent to Novae Shareholders and available on the Novae website at <http://www.novae.com>.

Appendix C

Tax summary

Please note the tax information set out below assumes that you have been domiciled and resident in the United Kingdom for tax purposes at all relevant times. The information only applies to your DBP Awards and the cash sale proceeds you receive under the Acquisition once your DBP Awards have vested and your Novae Shares are acquired by AXIS BidCo. It is a general summary provided for guidance only. You should obtain your own independent advice from an appropriate independent professional adviser if you are in any doubt about your position or if you are subject to tax in a jurisdiction outside of the United Kingdom.

1 Will I have to pay income tax on the vesting of my DBP Awards?

You will have to pay income tax and employee's National Insurance Contributions ("NICs") on the vesting of your DBP Awards on the Court Sanction Date.

Your employing company will collect any income tax and NICs due by deducting them from the cash sale proceeds due to you under the Acquisition and accounting for them to HMRC through the PAYE system.

Note that if you have left employment, income tax may not be deducted at the correct rate so you may need to make a further payment or claim a refund through your annual self-assessment tax return.

2 Will I have to pay capital gains tax ("CGT")?

When your Novae Shares are acquired by AXIS BidCo as a result of the Acquisition, this will be a disposal for CGT purposes which may give rise to a CGT liability.

The amount of any gain which is chargeable to CGT on the disposal of your Novae Shares will be the difference between the total cash payable under the Acquisition for your Novae Shares and the amount on which you were liable to pay income tax and NICs on the vesting of your DBP Awards. Therefore, there should be no, or only a very small, chargeable gain for CGT purposes.

You should only have to pay CGT to the extent that your gains from the disposal, along with any other chargeable gains, exceed your annual personal CGT allowance (£11,300 for the 2017/18 tax year). This means that you only pay CGT if the total of:

- the capital gains you make on receiving cash for your Novae Shares; and
- any other gains you make between 6 April 2017 and 5 April 2018 which would be subject to CGT

is more than your annual personal CGT allowance (for the 2017/18 tax year). If it is not (or if you have sufficient allowable losses to off-set the gains), you should not need to worry about CGT for this tax year.

More complicated rules may apply with respect to CGT if you:

- have other Novae Shares; or
- buy or sell portions of shareholdings at different times.

If you are liable to pay CGT, you will have to pay it through self-assessment. It will not be deducted for you through PAYE. This means that you will have to complete a self-assessment tax return (in hard copy or online). If you do not usually fill in a self-assessment tax return, you must tell your Tax Office that you will need to do so within six months of the end of the tax year in which the capital gain arises, i.e. by 5 October 2018 if the Acquisition completes during the 2017/2018 tax year.

The rules around CGT are complicated and you should seek independent professional advice if you are in any doubt about the action you need to take.

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