

ACE LTD

FORM 8-K (Current report filing)

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

Current Report

**Pursuant To Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported) July 10, 2008

ACE LIMITED

(Exact name of registrant as specified in its charter)

Switzerland
(State or other jurisdiction
of incorporation)

1-11778
(Commission File Number)

98-0091805
(I.R.S. Employer
Identification No.)

**17 Woodbourne Avenue
Hamilton HM 08 Bermuda**
(Address of principal executive offices)

Registrant's telephone number, including area code: (441) 295-5200

Not applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement

In connection with the anticipated re-domestication of ACE Limited (the "Company") to Switzerland, the Company entered into amendments and waivers to various credit facilities, effective as of July 10, 2008, to reflect the anticipated continuation of the Company as a Swiss company and to waive any potential default under any such credit facility that may have arisen upon the effectiveness of the re-domestication. See Exhibits 10.3 through 10.8 for copies of such amendments and waivers, which are incorporated herein by reference.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e) On July 14, 2008, the ACE Limited 2004 Long-Term Incentive Plan, as amended through the fourth amendment (the "LTIP"), was approved by the Company's shareholders. As a result of the fourth amendment, an additional 4 million shares are now available for awards under the LTIP. A more complete description of the LTIP is contained in Company's Proxy Statement/Prospectus dated May 30, 2008, as filed with the Securities and Exchange Commission pursuant to Rule 424(b)(3) on May 30, 2008, under the heading "Approval of ACE Limited 2004 Long-Term Incentive Plan as Amended through the Fourth Amendment," which is hereby incorporated herein by reference. For the full text of the LTIP, see Exhibit 10.2 hereto, which is hereby incorporated herein by reference.

In addition, in connection with the Company's anticipated re-domestication to Switzerland, and for the sole purpose of documentation of work that is expected to be performed in Switzerland, the Company entered into employment agreements with Evan Greenberg, the Company's Chairman and Chief Executive Officer, Philip Bancroft, the Company's Chief Financial Officer, and Robert Cusumano, the Company's General Counsel. These employment agreements did not change these officers' responsibilities to the ACE group of companies or their aggregate compensation from the ACE group of companies. These employment agreements formally establish that the named executive officers who are parties thereto have responsibilities directly with ACE Limited as a Swiss company and will receive compensation specifically for work performed in Switzerland. These employment agreements specify that these officers (i) are employees of the Swiss parent company, (ii) shall receive compensation allocable to such employment agreement (as opposed to compensation allocable to their work for other ACE companies) that reflects 10% of the total compensation such named executive officer is currently receiving, and (iii) shall work a portion of their time in Switzerland for ACE Limited approximating 10% of their annual work calendar. The Company may use the same form of employment agreement for these officers to allocate a percentage of their salaries to other subsidiaries of the Company. The form of employment agreement is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

Item 7.01 Regulation FD disclosure

Shareholders Approve Resolutions to Facilitate ACE Continuation in Zurich, Switzerland . At the Company's reconvened annual general meeting on July 14, 2008, the Company's shareholders approved the balance of the proposals necessary to approve the Company's continuation in Zurich, Switzerland.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
10.1*	Form of employment agreement between the Company (or subsidiaries of the Company) and executive officers of the Company to allocate a percentage of aggregate salary to the Company (or subsidiaries of the Company)

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- 10.2* ACE Limited 2004 Long-Term Incentive Plan, as amended through the fourth amendment
 - 10.3 Third Amendment and Waiver dated as of 10 July 2008 to Credit Agreement dated as of 13 December 2005, as amended on 22 June 2007 and as amended and restated on 19 December 2007, among ACE Australia Holdings Pty Limited, as borrower, the Company, as guarantor, various financial institutions and The Royal Bank of Scotland plc, as agent.
 - 10.4 Second Amendment and Waiver dated as of July 10, 2008 to Credit Agreement dated as of December 13, 2005, as previously amended, among ACE European Holdings No. 2 Limited, as borrower, the Company, as guarantor, various financial institutions and The Royal Bank of Scotland plc, as agent.
 - 10.5 Ninth Amendment Agreement dated as of 10 July, 2008 to Letter of Credit Facility Agreement originally dated as of 19 November, 1999 (as most recently amended pursuant to the Seventh Amendment and Restatement Agreement dated 17 November, 2006 and the Eighth Amendment Agreement dated as of 16 November, 2007) between, among others, the Company, as account party, certain subsidiaries thereof, as guarantors, various banks and Citibank International plc, as agent and security trustee for the banks.
 - 10.6 First Amendment and Waiver dated as of July 10, 2008 to Second Amended and Restated Credit Agreement dated as of November 8, 2007, among the Company and certain subsidiaries thereof, as borrowers, various financial institutions and JPMorgan Chase Bank, N.A., as administrative agent.
 - 10.7 First Amendment and Waiver dated as of July 10, 2008 to Second Amended and Restated Reimbursement Agreement dated as of November 8, 2007, among the Company and certain subsidiaries thereof, as account parties, various financial institutions and Wachovia Bank, National Association, as administrative agent.
 - 10.8 First Amendment and Waiver dated as of July 10, 2008 to Term Loan Agreement dated as of April 1, 2008, among ACE INA Holdings Inc., as borrower, the Company and certain of its subsidiaries, as guarantors, various financial institutions and Bank of America, N.A., as administrative agent.

* Management Contract or Compensation Plan

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ACE LIMITED

By: /s/ ROBERT F. CUSUMANO

Robert F. Cusumano

General Counsel

DATE: July 16, 2008

Employment Agreement

between

ACE Limited

Ace Global Headquarters, 17 Woodbourne Avenue, Hamilton HM 08, Bermuda
(as from 15 July 2008: Mainaustrasse 30, 8008 Zürich) ¹

as Employer

and

**[insert name and address
of employee]**

as Employee

RECITALS

The Employer and the Employee wish to enter into an Employment Agreement setting forth the terms and conditions of employment and the rights and the obligations of each party.

Now, therefore, the parties agree on this employment agreement (the “Agreement”) in accordance with art. 319 et. seq. of the Swiss Code of Obligations (“CO”) ² as follows.

-
- ¹ If this Agreement is with a subsidiary of the Company, substitute name and address of such subsidiary
 - ² If this Agreement is with a subsidiary of the Company that is not Swiss, modify this reference.

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I. POSITION AND DUTIES OF EMPLOYEE

1. Position/Responsibilities

The Employee shall be appointed [insert title] of the Employer. The Employee will perform [insert a brief job description consistent with current responsibilities ³]. Employee will be able to start work and this Agreement will only become effective, upon receipt of any applicable work and residence permits. The Agreement will only be in effect as long as the respective authorities approve renewals of the permits.

2. Availability

The Employee shall exclusively be employed by and available for the Employer on a full time basis.

The Employee shall devote his manpower, know-how and skills to the business of the Employer, and conduct the business of the Employer for which he has been assigned responsibility in accordance with statutory law, the provisions of the Articles of Association, Employer Policies, as amended from time to time and as applicable to the Employee, and in accordance with the general or specific directives and instructions of Employer's [Board of Directors][Chairman and Chief Executive Officer, as the case may be.].

³ For example, with respect to the Chairman and Chief Executive Officer, insert:

[the following duties and responsibilities: Provide overall direction of the business with maximum return on invested capital, coordinate the efforts of the Senior Executives, working with them to develop current and long-term objectives, policies and procedures, represent Employer to its customers, shareholders, financial community and the general public, establish budgetary goals and objectives and review operating results.]

with respect to the Chief Financial Officer, insert:

[those duties and responsibilities that are regularly and customarily performed by the Chief Financial Officer, including, but not limited to, responsibility for the finance function, including investments, accounting and tax.]

with respect to the General Counsel, insert:

[those duties and responsibilities that are regularly and customarily performed by General Counsel]

3. Duty of Care and Loyalty

The Employee shall carefully perform the duties assigned to him and loyally pursue and protect the Employer's interests.

4. Location of Employment

The principal location of the employment shall be Zurich ⁴ or as otherwise mutually agreed by the parties. The Employee also acknowledges that, in consideration of his position, he can be required to frequent travels abroad.

5. Working Hours

The working time is determined by the position and responsibility of the Employee. It consists of 4 hours per week (10%), spread over 5 days. ⁵

Additional hours ("Überstunden"), overtime ("Überzeit") and work on Saturdays and Sundays are deemed compensated by the salary under this Agreement.

6. Business Secrets

The Employee undertakes to keep secret any and all business secrets of the Employer and shall keep confidential all confidential matters of which he becomes aware whilst performing his duties hereunder. The Employee shall care for the safe custody of all information material containing any such business secrets or confidential information.

The terms "business secrets" and "confidential matters" include inter alia all business, operational, organisational, financial, customer and technical knowledge and information which should not become known to the public or to any third party pursuant to the wishes or the best interest of the Employer or in consideration of the nature of the information. These undertakings shall remain valid without limitation also after termination of this Agreement.

⁴ If this Agreement is with a subsidiary, insert the appropriate location.

⁵ If this agreement is with a subsidiary of the Company, revise the number of hours and percentage to reflect the appropriate allocation

7. Return of Documents

Upon termination of this Agreement, the Employee shall return to the Employer any and all business documents, confidential information and trade secrets in relation to the Employer. The Employee undertakes not to copy any such documents he may have received and/or made whilst performing his duties hereunder.

II. D UTIES OF THE E MPLOYER

8. Compensation

8.1 Annual Salary

The Employee shall be entitled to a gross annual salary of \$_[insert the amount which is equal to 10% of current salary]_ ⁶(US) per year, payable in twelve monthly installments (the "Base Salary"). The Base Salary shall be reviewed yearly.

8.2 Annual Bonus and Long-Term Incentive Compensation

The Employee will be eligible for an annual bonus and an award under Employer's Long-term Incentive Program. The determination of the amounts of said bonus and award are subject to the absolute discretion of Employer's Board of Directors.

9. Expenses

The Employee shall be reimbursed for his reasonable and proper out-of-pocket and travelling expenses incurred in carrying out his duties under this Agreement. Any reimbursement shall be supported by vouchers or other evidence.

10. Social Security, Tax and Insurance

Any applicable contributions for AHV/IV/EO (federal retirement and survivors'/disability/income replacement insurance), ALV (unemployment insurance), BVG (occupational retirement, survivors' and disability pension plans), UVG (accident

⁶ If this Agreement is with a subsidiary of the Company, insert the amount which reflects the appropriate allocation of current salary to reflect the appropriate allocation to such subsidiary.

insurance)⁷ and applicable tax at source, payable by the Employee in accordance with the law shall be deducted from the gross compensation payments made under this Agreement to the Employee.

11. Vacation and Holidays

The Employee shall be entitled to 20 vacation days (basis: employment of 100%; pro rata in case of part-time employment) during any year of employment. The vacation shall be taken in accordance with the mutual interest of the Employer and the Employee. Vacation time shall be used until April of the following year in which the time has been accrued.

III. T E R M A N D T E R M I N A T I O N

First working day of the Employee shall be on July 15, 2008. This Agreement is made for an indefinite period of time. It may be terminated by any party by giving one month written notice to the end of a calendar month. No probation period shall apply.

Furthermore, this Agreement shall terminate without notice when the Employee reaches the Swiss statutory retirement age or if Employee's work or residence permits are not renewed.

Termination without notice for just cause and valid reasons in accordance with Art. 337 et seq. CO⁸ shall be reserved.

IV. M I S C E L L A N E O U S

12. Severability

If any of the provisions or clauses of this Agreement shall be or become void or be held invalid, all other provisions shall remain in full force and effect and the void or invalid provisions shall be forthwith replaced by other provisions to be agreed upon by the parties valid in form and substance and which shall accomplish as nearly as possible the purpose and intent of the void or invalid provisions in due course.

⁷ If this Agreement is with a subsidiary of the Company that is not Swiss, revise the references to the applicable taxes.

⁸ If this Agreement is with a subsidiary of the Company that is not Swiss, revise the references to the applicable law.

13. Entire Agreement and Amendments

This Agreement constitutes the entire understanding between the parties hereto relating to the subject matter herein contained, i.e., the terms of employment for Employee's work in Switzerland. Any changes, additions or amendments (including the waiver of this provision) shall be in writing.

14. Counterparts

This Agreement shall be executed in two counterparts, namely one for each party.

15. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of Switzerland⁹.

_____, _____
(place) (date)

[insert name and title],

ACE Limited¹⁰

_____, _____
(place) (date)

[Insert name of Employee]

⁹ If this Agreement is with a subsidiary of the Company, insert the appropriate jurisdiction

¹⁰ If this Agreement is with a subsidiary of the Company, insert the name of the officer signing on behalf of such subsidiary.

ACE LIMITED 2004 LONG-TERM INCENTIVE PLAN (As amended through the Fourth Amendment)

SECTION 1

GENERAL

1.1. *Purpose* . The ACE Limited 2004 Long-Term Incentive Plan (the “Plan”) has been established by ACE Limited (the “Company”) to (i) attract and retain persons eligible to participate in the Plan; (ii) motivate Participants, by means of appropriate incentives, to achieve long-range goals; (iii) provide incentive compensation opportunities that are competitive with those of other similar companies; and (iv) further identify Participants’ interests with those of the Company’s other shareholders through compensation that is based on the Company’s ordinary shares of stock; and thereby promote the long-term financial interest of the Company and the Subsidiaries, including the growth in value of the Company’s equity and enhancement of long-term shareholder return.

1.2. *Participation* . Subject to the terms and conditions of the Plan, the Committee shall determine and designate, from time to time, from among the Eligible Individuals (including transferees of Eligible Individuals to the extent the transfer is permitted by the Plan and the applicable Award Agreement), those persons who will be granted one or more Awards under the Plan, and thereby become “Participants” in the Plan.

1.3. *Operation, Administration, and Definitions* . The operation and administration of the Plan, including the Awards made under the Plan, shall be subject to the provisions of Section 5 (relating to operation and administration). Capitalized terms in the Plan shall be defined as set forth in the Plan (including the definition provisions of Section 9).

SECTION 2

OPTIONS AND SARS

2.1. *Definitions* .

- (a) The grant of an “Option” entitles the Participant to purchase shares of Stock at an Exercise Price established by the Committee. Any Option granted under this Section 2 may be either an incentive stock option (an “ISO”) or a non-qualified option (an “NQO”), as determined in the discretion of the Committee. An “ISO” is an Option that is intended to satisfy the requirements applicable to an “incentive stock option” described in section 422(b) of the Code. An “NQO” is an Option that is not intended to be an “incentive stock option” as that term is described in section 422(b) of the Code.
- (b) A stock appreciation right (an “SAR”) entitles the Participant to receive, in cash or Stock (as determined in accordance with subsection 2.5), value equal to (or otherwise based on) the excess of: (a) the Fair Market Value of a specified number of shares of Stock at the time of exercise; over (b) an Exercise Price established by the Committee.

2.2. *Exercise Price* . The “Exercise Price” of each Option and SAR granted under this Section 2 shall be established by the Committee or shall be determined by a method established by the Committee at the time the Option or SAR is granted. The Exercise Price shall not be less than 100% of the Fair Market Value of a share of Stock on the date of grant (or, if greater, the par value of a share of Stock).

2.3. *Exercise* . An Option and an SAR shall be exercisable in accordance with such terms and conditions and during such periods as may be established by the Committee. In no event, however, shall an Option or SAR expire later than ten years after the date of its grant.

2.4. *Payment of Option Exercise Price* . The payment of the Exercise Price of an Option granted under this Section 2 shall be subject to the following:

- (a) Subject to the following provisions of this subsection 2.4, the full Exercise Price for shares of Stock purchased upon the exercise of any Option shall be paid at the time of such exercise (except that, in the case of an exercise arrangement approved by the Committee and described in paragraph 2.4(c), payment may be made as soon as practicable after the exercise).
- (b) Subject to applicable law, the Exercise Price shall be payable in cash, by promissory note, or by tendering, by either actual delivery of shares or by attestation, shares of Stock acceptable to the Committee, and valued at Fair Market Value as of the day of exercise, or in any combination thereof, as determined by the Committee.
- (c) Subject to applicable law, the Committee may permit a Participant to elect to pay the Exercise Price upon the exercise of an Option by irrevocably authorizing a third party to sell shares of Stock (or a sufficient portion of the shares) acquired upon exercise of the Option and remit to the Company a sufficient portion of the sale proceeds to pay the entire Exercise Price and any tax withholding resulting from such exercise.

2.5. *Settlement of Award* . Settlement of Options and SARs is subject to subsection 5.7.

2.6. *No Repricing* . Except for either adjustments pursuant to paragraph 5.2(f) (relating to the adjustment of shares), or reductions of the Exercise Price approved by the Company's shareholders, the Exercise Price for any outstanding Option or SAR may not be decreased after the date of grant nor may an outstanding Option or SAR granted under the Plan be surrendered to the Company as consideration for the grant of a replacement Option or SAR with a lower Exercise Price.

2.7. *Grants of Options and SARs* . An Option may but need not be in tandem with an SAR, and an SAR may but need not be in tandem with an Option. If an Option is in tandem with an SAR, the Exercise Price of both the Option and SAR shall be the same, and the exercise of the Option or SAR with respect to a share of Stock shall cancel the corresponding tandem SAR or Option right with respect to such share. If an SAR is in tandem with an Option but is granted after the grant of the Option, or if an Option is in tandem with an SAR but is granted after the grant of the SAR, the later granted tandem Award shall have the same Exercise Price as the earlier granted Award, but the Exercise Price for the later granted Award may be less than the Fair Market Value of the Stock at the time of such grant.

SECTION 3

FULL VALUE AWARDS

3.1. *Definition* . A "Full Value" Award is a grant of one or more shares of Stock or a right to receive one or more shares of Stock in the future, with such grant subject to one or more of the following, as determined by the Committee:

- (a) The grant shall be in consideration of a Participant's previously performed services, or surrender of other compensation that may be due.
- (b) The grant shall be contingent on the achievement of performance or other objectives during a specified period.
- (c) The grant shall be subject to a risk of forfeiture or other restrictions that will lapse upon the achievement of one or more goals relating to completion of service by the Participant, or achievement of performance or other objectives.

The grant of Full Value Awards may also be subject to such other conditions, restrictions and contingencies, as determined by the Committee.

3.2. *Restrictions on Awards* .

- (a) The Committee may designate a Full Value Award granted to any Participant as “performance-based compensation” as that term is used in section 162(m) of the Code. To the extent required by Code section 162(m), any Full Value Award so designated shall be conditioned on the achievement of one or more performance objectives. The performance objectives shall be based on Performance Measures selected by the Committee. For Awards under this Section 3 intended to be “performance-based compensation,” the grant of the Awards and the establishment of the performance objectives shall be made during the period required under Code section 162(m).
- (b) If the right to become vested in a Full Value Award is conditioned on the completion of a specified period of service with the Company or the Subsidiaries, without achievement of Performance Measures or other performance objectives (whether or not related to the Performance Measures) being required as a condition of vesting, and without it being granted in lieu of other compensation, then the required period of service for full vesting shall be not less than three years (subject to acceleration of vesting, to the extent permitted by the Committee, in the event of the Participant’s death, disability, retirement, change in control or involuntary termination).

SECTION 4

CASH INCENTIVE AWARDS

A Cash Incentive Award is the grant of a right to receive a payment of cash (or in the discretion of the Committee, Stock having value equivalent to the cash otherwise payable) that is contingent on achievement of performance or other objectives over a specified period established by the Committee. The grant of Cash Incentive Awards may also be subject to such other conditions, restrictions and contingencies, as determined by the Committee. The Committee may designate a Cash Incentive Award granted to any Participant as “performance-based compensation” as that term is used in section 162(m) of the Code. To the extent required by Code section 162(m), any such Award so designated shall be conditioned on the achievement of one or more performance objectives. The performance objectives shall be based on Performance Measures as selected by the Committee. For Awards under this Section 4 intended to be “performance-based compensation,” the grant of the Awards and the establishment of the performance objectives shall be made during the period required under Code section 162(m). Except as otherwise provided in the applicable plan or arrangement, distribution of any cash incentive awards by the Company or its Subsidiaries (whether granted this Plan or otherwise), for a performance period ending in a calendar year, shall be made to the Participant not later than March 15 of the following calendar year; provided, however, that for purposes of determining compliance with Code section 409A, a payment will be considered to satisfy the requirement of this sentence if distribution is made no later than the end of the calendar year following the end of the applicable performance period.

SECTION 5

OPERATION AND ADMINISTRATION

5.1. *Effective Date* . Subject to the approval of the shareholders of the Company at the Company’s 2004 annual meeting of its shareholders, the Plan shall be effective as of February 25, 2004 (the “Effective Date”); provided, however, that, to the extent not prohibited by applicable law or the applicable rules of any stock exchange, Awards may be granted contingent on approval of the Plan by the shareholders of the Company at such annual meeting. The Plan shall be unlimited in duration and, in the event of Plan termination, shall remain in effect as long as any Awards under it are outstanding; provided, however, that no Awards may be granted under the Plan on or after the ten-year anniversary of July 10, 2008, which is the date on which the Plan was amended by the Fourth Amendment.

5.2. *Shares and Other Amounts Subject to Plan* . The shares of Stock for which Awards may be granted under the Plan shall be subject to the following:

- (a) The shares of Stock with respect to which Awards may be made under the Plan shall be (i) shares currently authorized but unissued; (ii) to the extent permitted by applicable law, currently held or acquired by the Company as treasury shares, including shares purchased in the open market or in private transactions; or (iii) shares purchased in the open market by a direct or indirect wholly-owned subsidiary of the Company (as determined by the Chairman, the Chief Executive Officer or any executive officer of the Company). The Company may contribute to the subsidiary an amount sufficient to accomplish the purchase in the open market of the shares of Stock to be so acquired (as determined by the Chairman, the Chief Executive Officer or any executive officer of the Company).
- (b) Subject to the following provisions of this subsection 5.2, the maximum number of shares of Stock that may be delivered to Participants and their beneficiaries under the Plan shall be equal to the sum of: (i) 19,000,000 shares of Stock (which number includes all shares available for delivery under this clause (i) since the establishment of the Plan in 2004, determined in accordance with the terms of the Plan); and (ii) any shares of Stock that are represented by awards granted under the ACE Limited 1995 Long-Term Incentive Plan, the ACE Limited 1995 Outside Directors Plan, the ACE Limited 1998 Long-Term Incentive Plan, and the ACE Limited 1999 Replacement Long-Term Incentive Plan (the "Prior Plans") that are forfeited, expire or are canceled after the Effective Date without delivery of shares of Stock or which result in the forfeiture of the shares of Stock back to the Company to the extent that such shares would have been added back to the reserve under the terms of the applicable Prior Plan.
- (c) To the extent provided by the Committee, any Award may be settled in cash rather than Stock.
- (d) Shares of Stock with respect to an Award will be treated as delivered for purposes of the determination under paragraph (b) above, subject to the following:
 - (i) To the extent any shares of Stock covered by an Award are not delivered to a Participant or beneficiary because the Award is forfeited or canceled, such shares shall not be deemed to have been delivered for purposes of the determination under paragraph (b) above.
 - (ii) Subject to the provisions of paragraph (i) above, the total number of shares covered by an Award granted after July 10, 2008 will be treated as delivered for purposes of this paragraph (b) to the extent payments or benefits are delivered to the Participant with respect to such shares. Accordingly (A) if an Award denominated in shares of Stock is settled in cash, the total number of shares with respect to which such payment is made shall be considered to have been delivered; (B) if shares covered by an Award are used to satisfy the applicable tax withholding obligation, the number of shares held back by the Company to satisfy such withholding obligation shall be considered to have been delivered; (C) if the exercise price of any Option granted under the Plan is satisfied by tendering shares of Stock to the Company (by either actual delivery or by attestation), the number of shares tendered to satisfy such exercise price shall be considered to have been delivered; and (D) if cash or shares of Stock are delivered in settlement of the exercise of an SAR, the total number of shares with respect to which such SAR is exercised shall be deemed delivered.
- (e) Subject to paragraph 5.2(f), the following additional maximums are imposed under the Plan.
 - (i) The maximum number of shares of Stock that may be delivered to Participants and their beneficiaries with respect to ISOs granted under the Plan shall be 19,000,000 shares; provided, however, that to the extent that shares not delivered must be counted against this limit as a condition of satisfying the rules applicable to ISOs, such rules shall apply to the limit on ISOs granted under the Plan.

- (ii) The maximum number of shares that may be covered by Awards granted to any one Participant during any one calendar-year period pursuant to Section 2 (relating to Options and SARs) shall be 1,000,000 shares. For purposes of this paragraph (ii), if an Option is in tandem with an SAR, such that the exercise of the Option or SAR with respect to a share of Stock cancels the tandem SAR or Option right, respectively, with respect to such share, the tandem Option and SAR rights with respect to each share of Stock shall be counted as covering but one share of Stock for purposes of applying the limitations of this paragraph (ii).
- (iii) The maximum number of shares of Stock that may be issued in conjunction with Awards granted pursuant to Section 3 (relating to Full Value Awards) shall be 11,000,000 shares.
- (iv) For Full Value Awards that are intended to be “performance-based compensation” (as that term is used for purposes of Code section 162(m)), no more than 500,000 shares of Stock may be delivered pursuant to such Awards granted to any Participant during any one-calendar-year period; provided that Awards described in this paragraph (iv), that are intended to be performance-based compensation, shall be subject to the following:
 - (A) If the Awards are denominated in Stock but an equivalent amount of cash is delivered in lieu of delivery of shares of Stock, the foregoing limit shall be applied based on the methodology used by the Committee to convert the number of shares of Stock into cash.
 - (B) If delivery of Stock or cash is deferred until after shares of Stock have been earned, any adjustment in the amount delivered to reflect actual or deemed investment experience after the date the shares are earned shall be disregarded.
- (v) For Cash Incentive Value Awards that are intended to be “performance-based compensation” (as that term is used for purposes of Code section 162(m)), the maximum amount payable to any Participant with respect to a performance period shall equal \$500,000 multiplied by the number of calendar months included in that performance period; provided that Awards described in this paragraph (v), that are intended to be performance-based compensation, shall be subject to the following:
 - (A) If the Awards are denominated in cash but an equivalent amount of Stock is delivered in lieu of delivery of cash, the foregoing limit shall be applied to the cash based on the methodology used by the Committee to convert the cash into shares of Stock.
 - (B) If delivery of Stock or cash is deferred until after cash has been earned, any adjustment in the amount delivered to reflect actual or deemed investment experience after the date the cash is earned shall be disregarded.
- (f) The following shall apply with respect to the terms of the Plan and Awards granted thereunder:
 - (i) Notwithstanding the following provisions of this paragraph (f), in the event of any equity restructuring (within the meaning of Financial Accounting Standards No. 123 (revised 2004)) that causes the per share value of shares of Stock to change, such as a stock dividend, stock split, spin off, rights offering, or recapitalization through a large, nonrecurring cash dividend, the Committee shall cause there to be made an equitable adjustment to (A) the number and kind of shares available for grant under the Plan, (B) the number of shares or Awards that may be granted to any individual under the Plan or that may be granted pursuant to any provision or types of Awards and (C) the number and kind of shares or units subject to and the Exercise Price of an Option or SAR of any then outstanding Awards of or related to shares of Stock.
 - (ii) In the event of any change in corporate capitalization (other than as described in paragraph (i) above), such as a merger, consolidation, any reorganization (whether or not such reorganization comes within the definition of such term in Section 368 of the Code) or any partial or complete liquidation of the Company, such equitable adjustments described in the foregoing sentence shall be made as may be determined to be appropriate and equitable by the Committee, in its sole discretion, to prevent dilution or enlargement of rights.

- (iii) Action by the Committee under this paragraph (f) may include: (A) adjustment of the number and kind of shares which may be delivered under the Plan; (B) adjustment of the number and kind of shares subject to outstanding Awards; (C) adjustment of the Exercise Price of outstanding Options and SARs; and (D) any other adjustments that the Committee determines to be equitable (which may include, without limitation, (I) replacement of Awards with other Awards which the Committee determines have comparable value and which are based on stock of a company resulting from the transaction, and (II) cancellation of the Award in return for cash payment of the current value of the Award, determined as though the Award is fully vested at the time of payment, provided that in the case of an Option, the amount of such payment may be the excess of value of the Stock subject to the Option at the time of the transaction over the exercise price).
- (iv) In no event shall this paragraph (f) be construed to permit a modification (including a replacement) of an Option or SAR if such modification either: (A) would result in accelerated recognition of income or imposition of additional tax under Code section 409A; or (B) would cause the Option or SAR subject to the modification (or cause a replacement Option or SAR) to be subject to Code section 409A, provided that the restriction of this clause (B) shall not apply to any Option or SAR that, at the time it is granted or otherwise, is designated as being deferred compensation subject to Code section 409A.

5.3. *General Restrictions* . Delivery of shares of Stock or other amounts under the Plan shall be subject to the following:

- (a) Notwithstanding any other provision of the Plan, the Company shall have no obligation to deliver any shares of Stock or make any other distribution of benefits under the Plan unless such delivery or distribution complies with all applicable laws (including, without limitation, the requirements of the United States Securities Act of 1933), and the applicable requirements of any securities exchange or similar entity.
- (b) To the extent that the Plan provides for issuance of stock certificates to reflect the issuance of shares of Stock, the issuance may be effected on a non-certificated basis, to the extent not prohibited by applicable law or the applicable rules of any stock exchange.

5.4. *Tax Withholding* . All distributions under the Plan are subject to withholding of all applicable taxes, and the Committee may condition the delivery of any shares or other benefits under the Plan on satisfaction of the applicable withholding obligations. Except as otherwise provided by the Committee, such withholding obligations may be satisfied (i) through cash payment by the Participant; (ii) through the surrender of shares of Stock which the Participant already owns (provided, however, that to the extent shares described in this clause (ii) are used to satisfy more than the minimum statutory withholding obligation, as described below, then, except as otherwise provided by the Committee, payments made with shares of Stock in accordance with this clause (ii) shall be limited to shares held by the Participant for not less than six months prior to the payment date); or (iii) through the surrender of shares of Stock to which the Participant is otherwise entitled under the Plan, provided, however, that such shares under this clause (iii) may be used to satisfy not more than the Company's minimum statutory withholding obligation (based on minimum statutory withholding rates for Federal and state tax purposes, including payroll taxes, that are applicable to such supplemental taxable income).

5.5. *Grant and Use of Awards* . In the discretion of the Committee, a Participant may be granted any Award permitted under the provisions of the Plan, and more than one Award may be granted to a Participant. Awards may be granted as alternatives to or replacement of awards granted or outstanding under the Plan, or any other plan or arrangement of the Company or a Subsidiary (including a plan or arrangement of a business or entity, all or a portion of which is acquired by the Company or a Subsidiary). Subject to the overall limitation on the number of shares of Stock that may be delivered under the Plan, the Committee may use available shares of Stock as the form of payment for compensation, grants or rights earned or due under any other compensation plans or arrangements of the Company or a Subsidiary, including the plans and arrangements of the Company or

a Subsidiary assumed in business combinations. Notwithstanding the provisions of subsection 2.2, Options and SARs granted under the Plan in replacement for awards under plans and arrangements of the Company or a Subsidiary assumed in business combinations may provide for Exercise Prices that are less than the Fair Market Value of the Stock at the time of the replacement grants, if the Committee determines that such Exercise Price is appropriate to preserve the economic benefit of the award. The provisions of this subsection shall be subject to the provisions of subsection 5.16.

5.6. *Dividends and Dividend Equivalents* . An Award (including without limitation an Option or SAR Award) may provide the Participant with the right to receive dividend or dividend equivalent payments with respect to Stock subject to the Award (both before and after the Stock subject to the Award is earned, vested, or acquired), which payments may be either made currently or credited to an account for the Participant, and may be settled in cash or Stock, as determined by the Committee. Any such settlements, and any such crediting of dividends or dividend equivalents or reinvestment in shares of Stock, may be subject to such conditions, restrictions and contingencies as the Committee shall establish, including the reinvestment of such credited amounts in Stock equivalents. The provisions of this subsection shall be subject to the provisions of subsection 5.16.

5.7. *Settlement of Awards* . The obligation to make payments and distributions with respect to Awards may be satisfied through cash payments, the delivery of shares of Stock, the granting of replacement Awards (subject to subsection 2.6), or combination thereof as the Committee shall determine. Satisfaction of any such obligations under an Award, which is sometimes referred to as “settlement” of the Award, may be subject to such conditions, restrictions and contingencies as the Committee shall determine. The Committee may permit or require the deferral of any Award payment, subject to such rules and procedures as it may establish, which may include provisions for the payment or crediting of interest or dividend equivalents, and may include converting such credits into deferred Stock equivalents. Except for Options and SARs designated at the time of grant or otherwise as intended to be subject to Code section 409A, this subsection 5.7 shall not be construed to permit the deferred settlement of Options or SARs, if such settlement would result in deferral of compensation under Treas. Reg. §1.409A-1(b)(5)(i)(A)(3) (except as permitted in paragraphs (i) and (ii) of that section). Each Subsidiary shall be liable for payment of cash due under the Plan with respect to any Participant to the extent that such benefits are attributable to the services rendered for that Subsidiary by the Participant. Any disputes relating to liability of a Subsidiary for cash payments shall be resolved by the Committee. The provisions of this subsection shall be subject to the provisions of subsection 5.16.

5.8. *Transferability* . Awards under the Plan are not transferable except as designated by the Participant by will or by the laws of descent and distribution, and except for transfers without consideration to the extent permitted by the Committee.

5.9. *Form and Time of Elections* . Unless otherwise specified herein, each election required or permitted to be made by any Participant or other person entitled to benefits under the Plan, and any permitted modification, or revocation thereof, shall be in writing filed with the Committee at such times, in such form, and subject to such restrictions and limitations, not inconsistent with the terms of the Plan, as the Committee shall require.

5.10. *Agreement With Company* . An Award under the Plan shall be subject to such terms and conditions, not inconsistent with the Plan, as the Committee shall, in its sole discretion, prescribe. The terms and conditions of any Award to any Participant shall be reflected in such form of written (including electronic) document as is determined by the Committee. A copy of such document shall be provided to the Participant, and the Committee may, but need not require that the Participant sign a copy of such document. Such document is referred to in the Plan as an “Award Agreement” regardless of whether any Participant signature is required.

5.11. *Action by Company or Subsidiary* . Any action required or permitted to be taken by the Company or any Subsidiary shall be by resolution of its board of directors, or by action of one or more members of the board (including a committee of the board) who are duly authorized to act for the board, or (except to the extent prohibited by applicable law or applicable rules of any stock exchange) by a duly authorized officer of such company.

5.12. *Gender and Number* . Where the context admits, words in any gender shall include any other gender, words in the singular shall include the plural and the plural shall include the singular.

5.13. *Limitation of Implied Rights* .

- (a) Neither a Participant nor any other person shall, by reason of participation in the Plan, acquire any right in or title to any assets, funds or property of the Company or any Subsidiary whatsoever, including, without limitation, any specific funds, assets, or other property which the Company or any Subsidiary, in its sole discretion, may set aside in anticipation of a liability under the Plan. A Participant shall have only a contractual right to the Stock or amounts, if any, payable under the Plan, unsecured by any assets of the Company or any Subsidiary, and nothing contained in the Plan shall constitute a guarantee that the assets of the Company or any Subsidiary shall be sufficient to pay any benefits to any person.
- (b) The Plan does not constitute a contract of employment, and selection as a Participant will not give any participating employee or other individual the right to be retained in the employ of the Company or any Subsidiary or the right to continue to provide services to the Company or any Subsidiary, nor any right or claim to any benefit under the Plan, unless such right or claim has specifically accrued under the terms of the Plan. Except as otherwise provided in the Plan, no Award under the Plan shall confer upon the holder thereof any rights as a shareholder of the Company prior to the date on which the individual fulfills all conditions for receipt of such rights.

5.14. *Benefits Under Qualified Retirement Plans* . Except as otherwise provided by the Committee, Awards to a Participant (including the grant and the receipt of benefits) under the Plan shall be disregarded for purposes of determining the Participant's benefits under any Qualified Retirement Plan and other plans maintained by the Participant's employer. The term "Qualified Retirement Plan" means any plan of the Company or a Subsidiary that is intended to be qualified under section 401(a) of the Code.

5.15. *Evidence* . Evidence required of anyone under the Plan may be by certificate, affidavit, document or other information which the person acting on it considers pertinent and reliable, and signed, made or presented by the proper party or parties.

5.16. *Limitations under Section 409A* . The provisions of the Plan shall be subject to the following:

- (a) Neither subsection 5.5 nor any other provision of the Plan shall be construed to permit the grant of an Option or SAR if such action would cause the Option or SAR being granted or the option or stock appreciation right being replaced to be subject to Code section 409A, provided that this paragraph (a) shall not apply to any Option or SAR (or option or stock appreciation right granted under another plan) being replaced that, at the time it is granted or otherwise, is designated as being deferred compensation subject to Code section 409A.
- (b) Except with respect to an Option or SAR that, at the time it is granted or otherwise, is designated as being deferred compensation subject to Code section 409A, no Option or SAR shall condition the receipt of dividends with respect to an Option or SAR on the exercise of such Award, or otherwise provide for payment of such dividends in a manner that would cause the payment to be treated as an offset to or reduction of the exercise price of the Option or SAR pursuant Treas. Reg. §1.409A-1(b)(5)(i)(E).
- (c) The Plan shall not be construed to permit a modification of an Award, or to permit the payment of a dividend or dividend equivalent, if such actions would result in accelerated recognition of taxable income or imposition of additional tax under Code section 409A.

SECTION 6
CHANGE IN CONTROL

Subject to the provisions of paragraph 5.2(f) (relating to the adjustment of shares), the occurrence of a Change in Control shall have the effect, if any, with respect to any Award as set forth in the Award Agreement or, to the extent not prohibited by the Plan or the Award Agreement, as provided by the Committee.

SECTION 7
COMMITTEE

7.1. *Administration* . The authority to control and manage the operation and administration of the Plan shall be vested in a committee (the “Committee”) in accordance with this Section 7. The Committee shall be selected by the Board, and shall consist solely of two or more members of the Board. If the Committee does not exist, or for any other reason determined by the Board, and to the extent not prohibited by applicable law or the applicable rules of any stock exchange, the Board may take any action under the Plan that would otherwise be the responsibility of the Committee.

7.2. *Powers of Committee* . The Committee’s administration of the Plan shall be subject to the following:

- (a) Subject to the provisions of the Plan, the Committee will have the authority and discretion to select from among the Eligible Individuals those persons who shall receive Awards, to determine the time or times of receipt, to determine the types of Awards and the number of shares covered by the Awards, to establish the terms, conditions, performance criteria, restrictions, and other provisions of such Awards, and (subject to the restrictions imposed by Section 8) to cancel or suspend Awards.
- (b) To the extent that the Committee determines that the restrictions imposed by the Plan preclude the achievement of the material purposes of the Awards in jurisdictions outside the United States, the Cayman Islands, and Bermuda, the Committee will have the authority and discretion to modify those restrictions as the Committee determines to be necessary or appropriate to conform to applicable requirements or practices of jurisdictions outside of the United States, the Cayman Islands, and Bermuda.
- (c) The Committee will have the authority and discretion to interpret the Plan, to establish, amend, and rescind any rules and regulations relating to the Plan, to determine the terms and provisions of any Award Agreement made pursuant to the Plan, and to make all other determinations that may be necessary or advisable for the administration of the Plan.
- (d) Any interpretation of the Plan by the Committee and any decision made by it under the Plan is final and binding on all persons.
- (e) In controlling and managing the operation and administration of the Plan, the Committee shall take action in a manner that conforms to the Memorandum and Articles of Association, and applicable corporate law.

7.3. *Delegation by Committee* . Except to the extent prohibited by applicable law or the applicable rules of a stock exchange, the Committee may allocate all or any portion of its responsibilities and powers to any one or more of its members and may delegate all or any part of its responsibilities and powers to any person or persons selected by it. Any such allocation or delegation may be revoked by the Committee at any time.

7.4. *Information to be Furnished to Committee* . The Company and Subsidiaries shall furnish the Committee with such data and information as it determines may be required for it to discharge its duties. The records of the Company and Subsidiaries as to an employee’s or Participant’s employment (or other provision of services),

termination of employment (or cessation of the provision of services), leave of absence, reemployment and compensation shall be conclusive on all persons unless determined to be incorrect. Participants and other persons entitled to benefits under the Plan must furnish the Committee such evidence, data or information as the Committee considers desirable to carry out the terms of the Plan.

SECTION 8
AMENDMENT AND TERMINATION

The Board may, at any time, amend or terminate the Plan, and may amend any Award Agreement, provided that no amendment or termination may, in the absence of written consent to the change by the affected Participant (or, if the Participant is not then living, the affected beneficiary), adversely affect the rights of any Participant or beneficiary under any Award granted under the Plan prior to the date such amendment is adopted by the Board; and further provided that adjustments pursuant to paragraph 5.2(f) shall not be subject to the foregoing limitations of this Section 8; and further provided that the provisions of subsection 2.6 (relating to Option repricing) cannot be amended unless the amendment is approved by the Company's shareholders. Approval by the Company's shareholders will be required for any material revision to the terms of the Plan, with the Committee's determination of "material revision" to take into account the exemptions under the rules of the New York Stock Exchange. No amendment or termination shall be adopted or effective if it would result in accelerated recognition of income or imposition of additional tax under Code section 409A or, except as otherwise provided in the amendment, would cause amounts that were not otherwise subject to Code section 409A to become subject to section 409A.

SECTION 9
DEFINED TERMS

In addition to the other definitions contained herein, the following definitions shall apply:

- (a) *Award* . The term "Award" means any award or benefit granted under the Plan, including, without limitation, the grant of Options, SARs, Full Value Awards, and Cash Incentive Awards.
- (b) *Board* . The term "Board" means the Board of Directors of the Company.
- (c) *Change in Control* . The term "Change in Control" shall mean the occurrence of any one of the following events:
 - (i) any "person," as such term is used in Sections 3(a)(9) and 13(d) of the United States Securities Exchange Act of 1934, becomes a "beneficial owner," as such term is used in Rule 13d-3 promulgated under that act, of 50% or more of the Voting Stock (as defined below) of the Company;
 - (ii) the majority of the Board consists of individuals other than Incumbent Directors, which term means the members of the Board on the Effective Date; provided that any person becoming a director subsequent to such date whose election or nomination for election was supported by three-quarters of the directors who then comprised the Incumbent Directors shall be considered to be an Incumbent Director;
 - (iii) the Company adopts any plan of liquidation providing for the distribution of all or substantially all of its assets;
 - (iv) all or substantially all of the assets or business of the Company is disposed of pursuant to a merger, consolidation or other transaction (unless the shareholders of the Company immediately prior to such merger, consolidation or other transaction beneficially own, directly or indirectly, in

substantially the same proportion as they owned the Voting Stock of the Company, all of the Voting Stock or other ownership interests of the entity or entities, if any, that succeed to the business of the Company); or

- (v) the Company combines with another company and is the surviving corporation but, immediately after the combination, the shareholders of the Company immediately prior to the combination hold, directly or indirectly, 50% or less of the Voting Stock of the combined company (there being excluded from the number of shares held by such shareholders, but not from the Voting Stock of the combined company, any shares received by Affiliates (as defined below) of such other company in exchange for stock of such other company).

For the purpose of this definition of “Change in Control,” (I) an “Affiliate” of a person or other entity shall mean a person or other entity that directly or indirectly controls, is controlled by, or is under common control with the person or other entity specified and (II) “Voting Stock” shall mean capital stock of any class or classes having general voting power under ordinary circumstances, in the absence of contingencies, to elect the directors of a corporation.

- (d) *Code* . The term “Code” means the Internal Revenue Code of 1986, as amended. A reference to any provision of the Code shall include reference to any successor provision of the Code. Except as otherwise indicated, references in the Plan to laws and legal rules shall be to United States laws and legal rules.
- (e) *Dollars* . As used in the Plan, the term “dollars” or numbers preceded by the symbol “\$” shall mean amounts in United States dollars.
- (f) *Eligible Individual* . For purposes of the Plan, the term “Eligible Individual” means any employee of the Company or a Subsidiary, and any consultant, director, or other person providing services to the Company or a Subsidiary; provided, however, that an ISO may only be granted to an employee of the Company or a Subsidiary. An Award may be granted to an employee or other individual providing services, in connection with hiring, retention or otherwise, prior to the date the employee first performs services for the Company or the Subsidiaries, provided that such Awards shall not become vested prior to the date the employee or service provider first performs such services.
- (g) *Fair Market Value* . Except as otherwise provided by the Committee, the “Fair Market Value” of a share of Stock as of any date shall be the closing market composite price for such Stock as reported for the New York Stock Exchange—Composite Transactions on that date or, if Stock is not traded on that date, on the next preceding date on which Stock was traded.
- (h) *Performance Measures* . The “Performance Measures” shall be based on any one or more of the following Company, Subsidiary, operating unit or division performance measures: gross premiums written; net premiums written; net premiums earned; net investment income; losses and loss expenses; underwriting and administrative expenses; operating expenses; cash flow(s); operating income; earnings before interest and taxes; net income; stock price; dividends; strategic business objectives, consisting of one or more objectives based on meeting specified cost targets, business expansion goals, and goals relating to acquisitions or divestitures; or any combination thereof. Each goal may be expressed on an absolute and/or relative basis, may be based on or otherwise employ comparisons based on internal targets, the past performance of the Company and/or the past or current performance of other companies, and in the case of earnings-based measures, may use or employ comparisons relating to capital, shareholders’ equity and/or shares outstanding, investments or to assets or net assets.
- (i) *Subsidiary* . For purposes of the Plan, the term “Subsidiary” (sometimes referred to as a Related Company) means any corporation, partnership, joint venture or other entity during any period in which at least a fifty percent voting or profits interest is owned, directly or indirectly, by the Company (or by any entity that is a successor to the Company), and any other business venture designated by the Committee in which the Company (or any entity that is a successor to the Company) has a significant interest, as determined in the discretion of the Committee.

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- (j) *Stock* . The term “Stock” means mean Ordinary Shares of stock of the Company.
- (k) *Termination of Service* . With respect to Awards that constitute Deferred Compensation, references to the Participant’s Termination of Service with respect to service as an employee or service as a director shall mean, respectively, the Participant ceasing to be employed by, or ceasing to perform director services for, the Company and the Affiliates, subject to the following:
- (i) The employment relationship or director relationship will be deemed to have ended at the time the Participant and the applicable company reasonably anticipate that a level of bona fide services the Participant would perform for the Company and the Affiliates after such date would permanently decrease to no more than 20% of the average level of bona fide services performed over the immediately preceding 36 month period (or the full period of service to the Company and the Affiliates if the Participant has performed services for the Company and the Affiliates for less than 36 months). In the absence of an expectation that the Participant will perform at the above-described level, the date of termination of employment or termination as a director will not be delayed solely by reason of the Participant continuing to be on the Company’s and the Affiliates’ payroll after such date.
 - (ii) The employment or director relationship will be treated as continuing intact while the Participant is on a bona fide leave of absence (determined in accordance with Treas. Reg. §409A-1(h)).
 - (iii) The determination of a Participant’s termination of employment or termination as a director by reason of a sale of assets, sale of stock, spin-off, or other similar transaction of the Company or an Affiliate will be made in accordance with Treas. Reg. §1.409A-1(h).
 - (iv) If a Participant performs services both as an employee of the Company or an Affiliate, and a member of the board of directors of the Company or an Affiliate, the determination of whether termination of employment or termination of service as a director shall be made in accordance with Treas. Reg. §1.409A-1(h)(5) (relating to dual status service providers).
 - (v) For purposes of the Plan, except for purposes of the definition of “Change in Control,” the term “Affiliates” means all persons with whom the Company is considered to be a single employer under section 414(b) of the Code and all persons with whom the Company would be considered a single employer under section 414(c) thereof.
 - (vi) The term “Deferred Compensation” means payments or benefits that would be considered to be provided under a nonqualified deferred compensation plan as that term is defined in Treas. Reg. §1.409A-1.
 - (vii) Reference to a Participant’s Termination of Service shall include references to a Participant’s employment termination and terminating employment, a director’s termination or termination from the Board, and references to a Participant’s separation from service, and other similar references, to the extent that the term is used for purposes of determining whether Deferred Compensation is to be distributed upon such termination.

THIRD AMENDMENT AND WAIVER
(A\$ Credit Agreement)

THIRD AMENDMENT AND WAIVER dated as of 10 July 2008 (this "Amendment") amends the Credit Agreement dated as of 13 December 2005, as amended on 22 June 2007 and as amended and restated on 19 December 2007 pursuant to an Amendment and Restatement Agreement dated as of 14 December 2007 (as so amended and restated, the "Credit Agreement") among ACE Australia Holdings Pty Limited (the "Borrower"), ACE Limited (the "Guarantor"), various financial institutions and The Royal Bank of Scotland plc, as Agent. Capitalized terms used but not defined herein have the respective meanings set forth in the Credit Agreement.

WHEREAS, the Guarantor has informed the Agent that the Guarantor expects to re-domesticate to move its place of incorporation from the Cayman Islands to Switzerland; and

WHEREAS, the Guarantor has requested and the parties have agreed to amend the Credit Agreement in certain respects as more fully set forth below.

NOW, THEREFORE, the parties hereto agree as follows:

SECTION 1. Amendments to Credit Agreement. Subject to the conditions set forth in Section 4, the Credit Agreement is amended as set forth in this Section 1.

1.1 Clause 2.2 is amended by adding the following immediately before the period at the end thereof: "**provided that** no amount borrowed under this Facility may be used directly or indirectly in Switzerland".

1.2 Clause 15.5 is amended by adding the following phrase immediately before the period at the end thereof "or if such disclosure would violate any applicable law".

1.3 Clause 29.3.1 is amended by (a) deleting the phrase "to a Subsidiary of the Guarantor" that begins in the eighth to last line thereof and substituting the phrase "to a Wholly-Owned Consolidated Subsidiary of the Guarantor that is not organized under the laws of Switzerland" therefor; (b) deleting the phrase "that Subsidiary" that begins in the third to last line thereof and substituting the phrase "that Wholly-Owned Consolidated Subsidiary"; and (c) adding the following immediately before the period at the end thereof: "**provided that** (notwithstanding any other provision of this Agreement to the contrary) so long as the Guarantor is incorporated under the laws of Switzerland, the Guarantor may not be the Borrower Transferee without the prior written consent of all Finance Parties".

1.4 Clause 29.3.2(b) is amended by deleting the phrase "Subsidiary of the Guarantor" each time it appears therein and substituting the phrase "Wholly-Owned Consolidated Subsidiary of the Guarantor" therefor.

SECTION 2. Waiver. The Majority Banks waive any Default that may arise under Clause 15.4 (Preservation of Corporate Existence) of the Credit Agreement upon the re-domestication of the Guarantor to move its place of incorporation from the Cayman Islands to Switzerland in the third or fourth quarter of 2008 (the "Re-domestication").

SECTION 3. Representations and Warranties . Each Obligor represents and warrants as follows:

3.1 Authorization . The execution, delivery and performance by such Obligor of this Amendment are within its corporate powers, have been duly authorised by all necessary corporate action, require no action by or in respect of, or filing with, any governmental body, agency or official and do not contravene, or constitute a default under, any provision of applicable law or regulation or of the memorandum of association, articles of association or by-laws (or any comparable document) of such Obligor or of any material agreement, judgment, injunction, order, decree or other instrument binding upon such Obligor or any of its Subsidiaries or result in the creation or imposition of any Lien on any asset of such Obligor or any of its Subsidiaries.

3.2 Enforceability . This Amendment constitutes a legal, valid and binding obligation of such Obligor enforceable against such Obligor in accordance with its terms, subject to bankruptcy, insolvency or other laws of general application affecting the enforcement of creditors' rights, the application of equitable principles, the non-availability of the equitable remedies of specific performance or injunctive relief and, with respect to matters of Swiss law, the limitations and qualifications set forth in the opinion letter referred to in Section 5 below.

3.3 Representations and Warranties; No Default . After giving effect to this Amendment: (a) each representation and warranty of such Obligor contained in Clauses 13 and 14, as applicable, of the Credit Agreement is true and correct on and as of the date hereof with the same effect as if made on and as of the date hereof (except to the extent any such representation or warranty is expressly stated to have been made as of a specific date, in which case such representation or warranty was true and correct as of such date) and (b) no Default has occurred and is continuing.

SECTION 4. Effectiveness of Amendment . This Amendment (including the waiver set forth in Section 2) shall become effective as of the date set forth above when the Agent has (a) received the consent of the Majority Banks to the amendment and waiver contemplated herein, (b) signed a counterpart hereof and (c) received counterparts hereof signed by the Obligors; provided that the amendments set forth in Section 1 shall not become effective until the occurrence of the Re-domestication.

SECTION 5. Post-Closing Requirements . The Guarantor agrees that it will, within three Business Days after the effectiveness of the Re-domestication, deliver to the Agent (a) copies of the constitutional documents of the Guarantor as in effect after the Re-domestication, certified as being true and correct by an officer of the Guarantor; and (b) an opinion letter of Swiss counsel to the Guarantor substantially in the form of Exhibit A (and the Guarantor acknowledges and agrees that failure to timely deliver such items shall constitute an Event of Default).

SECTION 6. Designation as a Finance Document . The Obligors and the Agent agree that this Amendment is a Finance Document.

SECTION 7. Continuing Effectiveness, etc. Each Obligor affirms that after giving effect to the Re-domestication and the effectiveness of this Amendment, the Credit Agreement, as amended hereby, and each other Finance Document to which such Obligor is a party will remain in full force and effect and will continue to constitute a legal, valid and binding obligation of such Obligor, enforceable against such Obligor in accordance with its terms. Without limiting the

foregoing, the Guarantor represents and warrants that (a) the Re-domestication will not interrupt the continued corporate existence of the Guarantor and (b) all of the assets, property, rights, liabilities and obligations of the Guarantor immediately prior to the Re-domestication (including all rights, liabilities and obligations of the Guarantor under the Finance Documents) will continue to be the assets, property, rights, liabilities and obligations of the Guarantor after the Re-domestication.

SECTION 8. Miscellaneous.

8.1 Effect of Amendment. After the effectiveness hereof, all references to the Credit Agreement set forth in any other agreement or instrument shall, unless otherwise specifically provided, be references to the Credit Agreement as amended hereby. Except as so amended, the Credit Agreement and the other Finance Documents shall remain in full force and effect in accordance with their respective terms. The Obligors agree that the waiver described in Section 2 is limited to the specific terms thereof and shall not constitute or be deemed a waiver of any other Default or of any right or remedy arising as a result of any such other Default.

8.2 Incorporation of Certain Provisions. Clauses 1.2 (Interpretation), 1.5 (Headings), 1.8 (Third Party Rights), 29.1 (Binding Agreement), 32 (Remedies and Waivers, Partial Invalidity), 36 (Governing Law) and 37 (Jurisdiction) of the Credit Agreement shall apply hereto as if fully set forth herein, *mutatis mutandis* (it being understood that references therein to “this Agreement” or “the Finance Documents” are references to this Amendment).

8.3 Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same agreement. Delivery to the Agent of a signed counterpart hereof, or signature page hereto, by facsimile or e-mail (in a .pdf or similar file) shall be effective as delivery of an original manually-signed counterpart.

8.4 Further Assurances. Each Obligor shall, at the request of the Agent and at its own expense, do all such acts and things necessary or desirable to give effect to the amendments effected or to be effected pursuant to this Amendment.

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IN WITNESS WHEREOF , the parties hereto have caused this Amendment to be executed by their duly authorized officers as of the date first above written.

ACE LIMITED

The Common Seal of ACE Limited was hereunto affixed in the presence of:

Authorized Officer

Authorized Officer

*Signature Page to Third Amendment to
ACE A\$ Credit Agreement*

ACE AUSTRALIA HOLDINGS PTY LIMITED

EXECUTED by **ACE AUSTRALIA**)
HOLDINGS PTY LIMITED in)
accordance with section 127(1) of the)
Corporations Act 2001 (Cwlth) by)
authority of its directors:)

_____))
Signature of director)

PAUL A. VENNING)

_____))
Name of director (block letters))

_____))
Signature of director/company secretary*

) * delete whichever is not applicable)

STEPHEN M. McCONNELL)

_____))
Name of director/company secretary* (block letters)

) * delete whichever is not applicable)

*Signature Page to Third Amendment to
ACE A\$ Credit Agreement*

THE ROYAL BANK OF SCOTLAND PLC , as
Agent and as a Bank for and on behalf of itself in
these respective capacities and on behalf of the
Majority Banks

By: _____
Name: _____
Title: _____

*Signature Page to Third Amendment to
ACE A\$ Credit Agreement*

SECOND AMENDMENT AND WAIVER
(Sterling Credit Agreement)

THIS SECOND AMENDMENT AND WAIVER dated as of July 10, 2008 (this “Amendment”) amends the Credit Agreement dated as of December 13, 2005 (as previously amended, the “Credit Agreement”) among ACE European Holdings No.2 Limited (the “Borrower”), ACE Limited (the “Guarantor”), various financial institutions and The Royal Bank of Scotland plc, as Agent. Capitalized terms used but not defined herein have the respective meanings set forth in the Credit Agreement.

WHEREAS, the Guarantor has informed the Agent that the Guarantor expects to re-domesticate to move its place of incorporation from the Cayman Islands to Switzerland; and

WHEREAS, the Guarantor has requested and the parties have agreed to amend the Credit Agreement in certain respects as more fully set forth below.

NOW, THEREFORE, the parties hereto agree as follows:

SECTION 1. Amendments to Credit Agreement. Subject to the conditions set forth in Section 4, the Credit Agreement is amended as set forth in this Section 1.

1.1 Clause 2.2 is amended by adding the following immediately before the period at the end thereof: “, **provided that** no amount borrowed under this Facility may be used directly or indirectly in Switzerland”.

1.2 Clause 15.5 is amended by adding the following phrase immediately before the period at the end thereof “or if such disclosure would violate any applicable law”.

SECTION 2. Waiver. The Majority Banks waive any Default that may arise under Clause 15.4 (Preservation of Corporate Existence) of the Credit Agreement upon the re-domestication of the Guarantor to move its place of incorporation from the Cayman Islands to Switzerland in the third or fourth quarter of 2008 (the “Re-domestication”).

SECTION 3. Representations and Warranties. Each Obligor represents and warrants as follows:

3.1 Authorization. The execution, delivery and performance by such Obligor of this Amendment are within its corporate powers, have been duly authorised by all necessary corporate action, require no action by or in respect of, or filing with, any governmental body, agency or official and do not contravene, or constitute a default under, any provision of applicable law or regulation or of the memorandum of association, articles of association or by-laws (or any comparable document) of such Obligor or of any material agreement, judgment, injunction, order, decree or other instrument binding upon such Obligor or any of its Subsidiaries or result in the creation or imposition of any Lien on any asset of such Obligor or any of its Subsidiaries.

3.2 Enforceability. This Amendment constitutes a legal, valid and binding obligation of such Obligor enforceable against such Obligor in accordance with its terms, subject to bankruptcy, insolvency or other laws of general application affecting the enforcement of creditors’ rights, the application of equitable principles, the non-availability of the equitable remedies of specific performance or injunctive relief and, with respect to matters of Swiss law, the limitations and qualifications set forth in the opinion letter referred to in Section 5 below.

3.3 Representations and Warranties; No Default. After giving effect to this Amendment: (a) each representation and warranty of such Obligor contained in Clauses 13 and 14, as applicable, of the Credit Agreement is true and correct on and as of the date hereof with the same effect as if made on and as of the date hereof (except to the extent any such representation or warranty is expressly stated to have been made as of a specific date, in which case such representation or warranty was true and correct as of such date) and (b) no Default has occurred and is continuing.

SECTION 4. Effectiveness of Amendment. This Amendment (including the waiver set forth in Section 2) shall become effective as of the date set forth above when the Agent has (a) received the consent of the Majority Banks to the amendment and waiver contemplated herein, (b) signed a counterpart hereof and (c) received counterparts hereof signed by the Obligors; provided that the amendments set forth in Section 1 shall not become effective until the occurrence of the Re-domestication.

SECTION 5. Post-Closing Requirements. The Guarantor agrees that it will, within three Business Days after the effectiveness of the Re-domestication, deliver to the Agent (a) copies of the constitutional documents of the Guarantor as in effect after the Re-domestication, certified as being true and correct by an officer of the Guarantor; and (b) an opinion letter of Swiss counsel to the Guarantor substantially in the form of Exhibit A (and the Guarantor acknowledges and agrees that failure to timely deliver such items shall constitute an Event of Default).

SECTION 6. Designation as a Finance Document. The Obligors and the Agent agree that this Amendment is a Finance Document.

SECTION 7. Continuing Effectiveness, etc. Each Obligor affirms that after giving effect to the Re-domestication and the effectiveness of this Amendment, the Credit Agreement, as amended hereby, and each other Finance Document to which such Obligor is a party will remain in full force and effect and will continue to constitute a legal, valid and binding obligation of such Obligor, enforceable against such Obligor in accordance with its terms. Without limiting the foregoing, the Guarantor represents and warrants that (a) the Re-domestication will not interrupt the continued corporate existence of the Guarantor and (b) all of the assets, property, rights, liabilities and obligations of the Guarantor immediately prior to the Re-domestication (including all rights, liabilities and obligations of the Guarantor under the Finance Documents) will continue to be the assets, property, rights, liabilities and obligations of the Guarantor after the Re-domestication.

SECTION 8. Miscellaneous.

8.1 Effect of Amendment. After the effectiveness hereof, all references to the Credit Agreement set forth in any other agreement or instrument shall, unless otherwise specifically provided, be references to the Credit Agreement as amended hereby. Except as so amended, the Credit Agreement and the other Finance Documents shall remain in full force and effect in accordance with their respective terms. The Obligors agree that the waiver described in Section 2 is limited to the specific terms thereof and shall not constitute or be deemed a waiver of any other Default or of any right or remedy arising as a result of any such other Default.

8.2 Incorporation of Certain Provisions. Clauses 1.2 (Interpretation), 1.5 (Headings), 1.8 (Third Party Rights), 29.1 (Binding Agreement), 32 (Remedies and Waivers, Partial Invalidity), 36 (Governing Law) and 37 (Jurisdiction) of the Credit Agreement shall apply hereto as if fully set forth herein, *mutatis mutandis* (it being understood that references therein to “this Agreement” or “the Finance Documents” are references to this Amendment).

8.3 Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same agreement. Delivery to the Agent of a signed counterpart hereof, or signature page hereto, by facsimile or e-mail (in a .pdf or similar file) shall be effective as delivery of an original manually-signed counterpart.

8.4 Further Assurances. Each Obligor shall, at the request of the Agent and at its own expense, do all such acts and things necessary or desirable to give effect to the amendments effected or to be effected pursuant to this Amendment.

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IN WITNESS WHEREOF , the parties hereto have caused this Amendment to be executed by their duly authorized officers as of the date first above written.

ACE LIMITED

The Common Seal of ACE Limited was hereunto affixed in the presence of:

Robert Cusumano, General Counsel & Secretary

Paul Medini, Chief Accounting Officer

ACE EUROPEAN HOLDINGS NO.2 LIMITED

Authorized Officer

Authorized Officer

*Signature Page to Second Amendment to
ACE Sterling Credit Agreement*

THE ROYAL BANK OF SCOTLAND PLC , as
Agent and as a Bank for and on behalf of itself in
these respective capacities and on behalf of the
Majority Banks

By: _____
Name: _____
Title: _____

NINTH AMENDMENT AGREEMENT

THIS NINTH AMENDMENT AGREEMENT dated as of 10 July, 2008 (this “Amendment Agreement”) amends the Letter of Credit Facility Agreement originally dated as of 19 November, 1999 (as most recently amended pursuant to the Seventh Amendment and Restatement Agreement dated 17 November, 2006 and the Eighth Amendment Agreement dated as of 16 November, 2007, the “Facility Agreement”) between, among others, ACE Limited (the “Account Party”), certain subsidiaries thereof, as guarantors, various banks and Citibank International plc, as agent and security trustee for the banks. Capitalized terms used but not defined herein have the respective meanings set forth in the Facility Agreement, and the principles of construction set forth in the Facility Agreement shall apply to this Amendment Agreement as if set forth in full herein.

WHEREAS, the Account Party has informed the Agent that the Account Party expects to re-domesticate to move its place of incorporation from the Cayman Islands to Switzerland; and

WHEREAS, the Account Party has requested and the parties have agreed to amend the Facility Agreement in certain respects as more fully set forth below.

NOW, THEREFORE, the parties hereto agree as follows:

SECTION 1. Amendments to Facility Agreement. Subject to the conditions set forth in Section 4, the Facility Agreement is amended as set forth in this Section 1.

1.1 The first sentence of Clause 16.1 (*Corporate Existence and Power*) is amended by (a) substituting the phrase “a company limited by shares” therein for the phrase “a share corporation (*Aktiengesellschaft*)” and (b) substituting the reference to “the Cayman Islands” therein for the phrase “its jurisdiction of incorporation, formation or organization”.

1.2 Clause 17.7 (*Inspection of Property, Books and Records*) is amended by adding the phrase “or if such disclosure would violate any applicable law” before the period at the end thereof.

1.3 The following Clause 17.16 is added in appropriate numerical sequence:

17.16 Maintenance of Charged Portfolio

The Obligors shall ensure that (a) neither the Charged Portfolio nor any account comprising the Charged Portfolio is held or maintained in Switzerland and (b) the Custodian is not organised under the laws of Switzerland.

1.4 Clause 18.7.1 (*Winding-up of the Account Party or a Guarantor*) is amended by substituting the reference to “the Grand Court of the Cayman Islands” therein for the phrase “a court or authority of competent jurisdiction in any relevant jurisdiction”.

1.5 Clause 33.6 (*Deemed receipt by the Obligors*) is amended by substituting the words “all Obligors” for “both Obligors” immediately before the period at the end thereof.

SECTION 2. Waiver. The Majority Banks waive any Default that may arise under Clause 17.5 (*Conduct of Business and Maintenance of Existence*) of the Facility Agreement upon completion of the re-domestication of the Account Party to move its place of incorporation from the Cayman Islands to Switzerland in the third or fourth quarter of 2008 (the “Re-domestication”).

SECTION 3. Representations and Warranties . Each Obligor represents and warrants as follows:

3.1 Authorization . The execution, delivery and performance by such Obligor of this Amendment Agreement are within its corporate powers, have been duly authorised by all necessary corporate action, require no action by or in respect of, or filing with, any governmental body, agency or official and do not contravene, or constitute a default under, any provision of applicable law or regulation or of the memorandum of association, articles of association or by-laws (or any comparable document) of such Obligor or of any material agreement, judgment, injunction, order, decree or other instrument binding upon such Obligor or any of its Subsidiaries or result in the creation or imposition of any Lien on any asset of such Obligor or any of its Subsidiaries.

3.2 Enforceability . This Amendment Agreement constitutes a legal, valid and binding obligation of such Obligor enforceable against such Obligor in accordance with its terms, subject to bankruptcy, insolvency or other laws of general application affecting the enforcement of creditors rights, the application of equitable principles, the non-availability of the equitable remedies of specific performance or injunctive relief and, with respect to matters of Swiss law, the limitations and qualifications set forth in the opinion letter referred to in Section 5 below.

3.3 Representations and Warranties; No Default . After giving effect to this Amendment Agreement: (a) each representation and warranty of such Obligor contained in Clause 16 of the Facility Agreement is true and correct on and as of the date hereof with the same effect as if made on and as of the date hereof (except to the extent any such representation or warranty is expressly stated to have been made as of a specific date, in which case such representation or warranty was true and correct as of such date) and (b) no Default has occurred and is continuing.

SECTION 4. Effectiveness of Amendment Agreement . This Amendment Agreement (including the waiver set forth in Section 2) shall become effective as of the date set forth above when the Agent has (a) received the consent of the Majority Banks to the amendments and waiver contemplated herein, (b) signed a counterpart hereof and (c) received counterparts hereof signed by the Obligors; provided that the amendments set forth in Section 1 shall not become effective until the occurrence of the Re-domestication.

SECTION 5. Post-Closing Requirements . The Account Party agrees that it will, within three Business Days after the effectiveness of the Re-domestication, deliver to the Agent (a) copies of the constitutional documents of the Account Party as in effect after the Re-domestication, certified as being true and correct by an officer of the Account Party; and (b) an opinion letter of Swiss counsel to the Account Party substantially in the form of Exhibit A (and the Account Party acknowledges and agrees that failure to timely deliver such items shall constitute an Event of Default).

SECTION 6. Designation as a Finance Document . The Account Party and the Agent agree that this Amendment Agreement is a Finance Document.

SECTION 7. Continuing Effectiveness, etc. Each Obligor affirms that after giving effect to the Re-domestication and the effectiveness of this Amendment Agreement, the Facility

Agreement, as amended hereby, and each other Finance Document to which such Obligor is a party will remain in full force and effect and will continue to constitute a legal, valid and binding obligation of such Obligor, enforceable against such Obligor in accordance with its terms. Without limiting the foregoing, the Account Party represents and warrants that (a) the Re-domestication will not interrupt the continued corporate existence of the Account Party and (b) all of the assets, property, rights, liabilities and obligations of the Account Party immediately prior to the Re-domestication (including all rights, liabilities and obligations of the Account Party under the Finance Documents) will continue to be the assets, property, rights, liabilities and obligations of the Account Party after the Re-domestication.

SECTION 8. Miscellaneous .

8.1 Effect of Amendment Agreement . After the effectiveness hereof, all references to the Facility Agreement set forth in any other agreement or instrument shall, unless otherwise specifically provided, be references to the Facility Agreement as amended hereby. Except as so amended, the Facility Agreement and the other Finance Documents shall remain in full force and effect in accordance with their respective terms. The Obligors agree that the waiver described in Section 2 is limited to the specific terms thereof and shall not constitute or be deemed a waiver of any other Default or Event of Default or of any right or remedy arising as a result of any such other Default or Event of Default.

8.2 Governing Law . This Amendment Agreement shall be governed by and construed in accordance with English law.

8.3 Successors and Assigns . This Amendment Agreement shall be binding upon, inure to the benefit of and be enforceable by the respective successors and assigns of the parties hereto.

8.4 Construction . Headings used herein are for convenience of reference only and shall not affect the meaning of this Amendment Agreement.

8.5 Incorporation of Certain Provisions . Clauses 1.8 (*Third party Rights*), 32 (*Remedies and Waivers, Partial Invalidity*) and 37 (*Jurisdiction*) of the Facility Agreement shall apply hereto as if fully set forth herein, *mutatis mutandis* (it being understood that references therein to “this Agreement” or “the Finance Documents” are references to this Amendment Agreement).

8.6 Counterparts . This Amendment Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same agreement. Delivery to the Agent of a signed counterpart hereof, or signature page hereto, by facsimile or e-mail (in a .pdf or similar file) shall be effective as delivery of an original manually-signed counterpart.

8.7 Further Assurances . Each Obligor shall, at the request of the Agent and at its own expense, do all such acts and things necessary or desirable to give effect to the amendments effected or to be effected pursuant to this Amendment Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment Agreement to be executed by their duly authorized officers as of the date first above written.

ACE LIMITED

The Common Seal of ACE Limited was hereunto affixed in the presence of:

Robert Cusumano, General Counsel & Secretary

Paul Medini, Chief Accounting Officer

ACE BERMUDA INSURANCE LTD.

The Common Seal of ACE Bermuda Insurance Ltd. was hereunto affixed in the presence of:

George Rees Fletcher, Deputy Chairman, President & Chief Executive Officer

Augustin Hardart, Chief Financial Officer

ACE TEMPEST REINSURANCE LTD.

The Common Seal of ACE Tempest Reinsurance Ltd. was hereunto affixed in the presence of:

Jacques Bonneau, Deputy Chairman

Andrew Gibbs, Chief Financial Officer and Treasurer

(signatures continue on the following page)

CITIBANK INTERNATIONAL PLC , as Agent and
as Security Trustee for and on behalf of itself in those
respective capacities and on behalf of the Majority Banks

By: _____
Name: _____
Title: _____

FIRST AMENDMENT AND WAIVER

THIS FIRST AMENDMENT AND WAIVER dated as of July 10, 2008 (this “Amendment”) amends the Second Amended and Restated Credit Agreement dated as of November 8, 2007 (the “Credit Agreement”) among ACE Limited (the “Parent”), certain subsidiaries thereof, various financial institutions and JPMorgan Chase Bank, N.A., as Administrative Agent. Capitalized terms used but not defined herein have the respective meanings set forth in the Credit Agreement.

WHEREAS, the Parent has informed the Administrative Agent that the Parent expects to re-domesticate to move its place of incorporation from the Cayman Islands to Switzerland; and

WHEREAS, the Parent has requested and the parties have agreed to amend the Credit Agreement in certain respects as more fully set forth below.

NOW, THEREFORE, the parties hereto agree as follows:

SECTION 1. Amendments to Credit Agreement. Subject to the conditions set forth in Section 4, the Credit Agreement is amended as set forth in this Section 1.

1.1 The recital of the parties to the Credit Agreement is amended by deleting the language “, a Cayman Islands company” immediately following the phrase “among ACE Limited” therein.

1.2 Section 1.01 is amended by adding the following defined terms in appropriate alphabetical sequence:

“**Guidelines**” means, collectively, the guidelines numbered S-02.122.1 (4-1999), S-02.122.2 (4-1999), S-02.123 (9-1986), S-02.128 (1-2000) and S-02.130.1 (4-1999) issued by the Swiss Federal Tax Administration.

“**Non-Qualifying Lender**” means a Person that is not a Qualifying Lender.

“**Qualifying Lender**” means a Person that conducts effectively banking activities, with its own infrastructure and staff, as its principal business purpose and that has a banking license in full force and effect issued in accordance with the banking laws of its jurisdiction of organization or, if acting through a branch, issued in accordance with the banking laws in the jurisdiction of such branch.

“**Swiss Withholding Tax**” means Swiss anticipatory tax (*Verrechnungssteuer*).

“**Ten Non-Bank Rule**” means the rule that not more than ten creditors of the Parent under this Agreement may be Non-Qualifying Lenders (as provided in the applicable Guidelines) without triggering Swiss Withholding Tax.

“**Twenty Non-Bank Rule**” means the rule that not more than 20 creditors of the Parent under all interest-bearing obligations for borrowed money of the Parent may be Non-Qualifying Lenders (as provided in the applicable Guidelines) without triggering Swiss Withholding Tax.

1.3 The definition of “Affected Lender” in Section 1.01 is amended by (a) substituting a comma for the word “or” immediately before the reference to “(iii)” therein and (b) adding the following new clause before the period at the end of thereof:

or (iv) becomes a Non-Qualifying Lender if the Parent determines such Lender’s continuation as a Lender would, or would be reasonably likely to, result in Swiss Withholding Tax being applicable to any payment under this Agreement.

1.4 Section 2.08 is amended by adding the following new clauses (d) and (e) at the end thereof:

(d) *Minimum Interest Rates* . The various rates of interest provided for in this Agreement are minimum interest rates. The parties hereto have assumed that interest at such rates is not and will not become subject to Swiss Withholding Tax. Notwithstanding that the parties hereto do not anticipate that any payment of interest will be subject to Swiss Withholding Tax, each Lender, the Parent and the Administrative Agent agree that if Swiss Withholding Tax is imposed on any interest payment by the Parent to any Lender and it is unlawful for any reason for the Parent to comply with Section 2.13 when it would otherwise be required to make any payment under such Section, then any payment of interest to be made by the Parent to such Lender shall be increased to an amount which (after making any deduction of the Non-refundable Portion of Swiss Withholding Tax as defined below) results in a payment to such Lender of an amount equal to the payment which would have been due had no deduction of Swiss Withholding Tax been required. In calculating the amount due pursuant to the foregoing sentence, Swiss Withholding Tax shall be calculated on the full grossed-up interest amount. For purposes of the foregoing, “Non-refundable Portion of Swiss Withholding Tax” means Swiss Withholding Tax at the standard rate (which, as of July 1, 2008, is 35%) unless according to an applicable double tax treaty, the Non-refundable Portion of Swiss Withholding Tax for any Lender is a specified lower rate, in which case such lower rate shall be applied in relation to such Lender. No payment pursuant to this clause (d) shall be in duplication of any payment pursuant to Section 2.13.

(e) *Refunds of Increased Interest*. If a Lender shall become aware that it is entitled to claim a refund from a governmental authority in respect of increased interest paid pursuant to clause (d) above, such Lender shall promptly notify the Parent of the availability of such refund claim and shall, within 30 days after receipt of a request by the Parent, make a claim to such governmental authority for such refund at the Parent’s expense, if obtaining such refund would not, in the good faith judgment of such Lender, be materially disadvantageous to such Lender; *provided* that nothing in this clause (e) shall be construed to require any Lender to institute any

administrative proceeding (other than the filing of a claim for any such refund) or judicial proceeding to obtain any such refund. If a Lender determines, in its sole discretion, that it has received a refund in respect of any increased interest paid pursuant to clause (d) above, such Lender shall, within 60 days from the date of such receipt, pay over such refund to the Parent (but only to the extent of the increased interest paid by the Parent under clause (d) above giving rise to such refund), net of all out-of-pocket expenses of such Lender in obtaining such refund and without interest (other than interest paid by the relevant governmental authority with respect to the relevant portion of such refund); *provided* that the Parent, upon request of such Lender, agrees to repay the amount paid over to the Parent (plus penalties, interest or other charges) to such Lender in the event such Lender is required to repay such refund to such governmental authority. Nothing in this clause (e) shall be construed to require any Lender to make available its tax returns (or any other information relating to its taxes which it deems confidential) to the Parent or any other Person.

1.5 Section 5.01(e) is amended by adding the phrase “or if such disclosure would violate any applicable law” before the period at the end thereof.

1.6 Section 5.01 is amended by adding the following new Section (k) at the end thereof:

(k) *Ten Non-Bank Rule and Twenty Non-Bank Rule* . In the case of the Parent, ensure that (a) it complies with the Ten Non-Bank Rule and the Twenty Non-Bank Rule; and (b) the aggregate number of Lenders and holders of participations, sub-participations or other interests in any Lender’s rights hereunder that are Non-Qualifying Lenders does not exceed ten at any time; *provided* that under no circumstances shall any failure of the Parent to comply with this Section 5.01(k), or the application of Swiss Withholding Tax to any payment hereunder, be a Default hereunder.

1.7 Section 9.06(b) is amended by (a) adding “(i)” in the third sentence thereof immediately after the phrase “participating interest shall provide that” and (b) adding the following text before the period at the end of such sentence:

; and (ii) no further participation, sub-participation or other transfer by the Participant of any rights or obligations thereunder may be made in violation of Section 9.06(f).

1.8 Section 9.06 is amended by adding the following new Section (f) at the end thereof:

(f) Notwithstanding the foregoing provisions of this Section 9.06, Section 9.07 or any other provision of this Agreement, no Lender or Participant may assign, participate, sub-participate or otherwise transfer any ownership interest in (any of the foregoing, a “**Transfer**”) any of its rights or obligations hereunder (including any right to provide all or any portion of any Loan as contemplated by Section 9.07), under any other Loan Document or under any participation agreement or similar document unless (i) the proposed assignee,

participant, sub-participant or other transferee (any of the foregoing, a “**Transferee**”) has delivered a certificate to such Lender, the Administrative Agent and the Parent confirming that it is a Qualifying Lender; or (b) not less than five Business Days’ prior to the proposed Transfer, such Lender has delivered to the Parent (with a copy to the Administrative Agent) a written request for the Parent’s consent to such Transfer, which request shall identify the proposed Transferee. The Parent will not unreasonably withhold or delay its consent to any Transfer, *provided* that (A) the Parent may condition such consent upon its receipt of a copy of a ruling from the Swiss Federal Tax Administration to the effect that such Transferee will be treated as a single Non-Qualifying Lender for purposes of Swiss Withholding Tax matters; and (B) the Parent may withhold its consent if such Transfer would result in a breach of the Ten Non-Bank Rule or the Twenty Non-Bank Rule or otherwise result in any payment by any Loan Party hereunder becoming subject to Swiss Withholding Tax. If any Lender makes any Transfer in violation of this Section 9.06(f), then (1) such Lender shall reimburse and indemnify the Parent for all losses, liabilities, taxes, costs and expenses incurred as a result thereof and (2) the Parent shall not be required to make any increased payment to such Lender or the applicable Transferee pursuant to Section 2.08(d) or Section 2.13. The provisions of this Section 9.06(f) shall terminate and be of no further force or effect if the Advances, all interest thereon and all other amounts payable under this Agreement and the other Loan Documents have become forthwith due and payable (at maturity, by acceleration or otherwise).

1.9 Section 9.11(a) is amended by inserting the phrase “in the Borough of Manhattan” immediately after the phrase “court of the United States of America sitting” therein.

1.10 The first sentence of Section 9.11(b) is amended by adding the phrase “sitting in the Borough of Manhattan in New York City” immediately before the period at the end thereof.

1.11 The following new Section 9.16 is added in the appropriate numerical sequence:

Section 9.16. *Certain Swiss Withholding Tax Matters* . (a) If the Ten Non-Bank Rule, the Twenty Non-Bank Rule or any other law, rule or guideline regarding Swiss Withholding Tax is amended in any material respect after July 1, 2008, then the Parent or the Administrative Agent may (and, upon request of the Required Lenders, the Administrative Agent shall), by written notice to the other, request that this Agreement be amended to reflect such change. Promptly after any such request, the Parent and the Administrative Agent shall enter into discussions regarding an amendment hereto that will place the parties hereto in substantially the same position (or in a different position acceptable to the Parent and the Required Lenders) from a Swiss Withholding Tax perspective as they would have been in if the change had not happened. Without limiting the foregoing, (i) the Parent agrees that it will promptly agree to any amendment requested by the Administrative Agent or the Required Lenders that would ease the restrictions set forth in Section 9.06(f) if such amendment would not result in any greater risk that Swiss Withholding Tax would be applicable to any payment under this Agreement;

and (ii) the Lenders and the Administrative Agent agree that they will promptly agree to any amendment requested by the Parent that would change the restrictions set forth in Section 9.06(f) if such amendment is necessary to avoid the risk that Swiss Withholding Tax would be applicable to any payment under this Agreement and is not unduly burdensome to the Lenders.

(b) Each Lender agrees that it will, and will cause any Person to which it sells any participation to, promptly notify the Parent and the Administrative Agent if for any reason it ceases to be a Qualifying Lender. Without limiting the foregoing, if at any time the Parent reasonably believes that any Lender's status for Swiss Withholding Tax purposes has changed, then the Parent may request that such Lender (and each Lender agrees that under such circumstances it will) promptly confirm whether it is a Qualifying Lender or a Non-Qualifying Lender.

1.12 Exhibit C (the Form of Assignment and Assumption) is amended by adding the following new Section 8 in appropriate numerical sequence:

Section 8. *Swiss Withholding Tax Matters* . The Assignee represents to the Administrative Agent, the Parent and the Lenders, on the date on which it becomes a party to the Credit Agreement, that it is [not a Qualifying Lender][a Qualifying Lender] for purposes of Swiss Withholding Tax.

1.13 Exhibit E (the Form of Designation Agreement) is amended by adding the following new Section 8 in appropriate numerical sequence:

8. The Designee represents to the Administrative Agent, the Parent and the Lenders, on the date on which it becomes a party to the Credit Agreement, that it is [not a Qualifying Lender][a Qualifying Lender] for purposes of Swiss Withholding Tax.

SECTION 2. Waiver . The Required Lenders waive any Default that may arise under Section 5.01(d) of the Credit Agreement upon the re-domestication of the Parent to move its place of incorporation from the Cayman Islands to Switzerland in the third or fourth quarter of 2008 (the “Re-domestication”).

SECTION 3. Representations and Warranties . The Parent represents and warrants as follows:

3.1 Authorization . The execution, delivery and performance by the Parent of this Amendment are within its corporate powers, have been duly authorised by all necessary corporate action, require no action by or in respect of, or filing with, any governmental body, agency or official and do not contravene, or constitute a default under, any provision of applicable law or regulation or of the memorandum of association, articles of association or by-laws (or any comparable document) of any Loan Party or of any material agreement, judgment, injunction, order, decree or other instrument binding upon any Loan Party or any of its Subsidiaries or result in the creation or imposition of any Lien on any asset of any Loan Party or any of its Subsidiaries.

3.2 Enforceability. This Amendment constitutes a legal, valid and binding obligation of the Parent enforceable against the Parent in accordance with its terms, subject to bankruptcy, insolvency or other laws of general application affecting the enforcement of creditors' rights, the application of equitable principles, the non-availability of the equitable remedies of specific performance or injunctive relief and, with respect to matters of Swiss law, the limitations and qualifications set forth in the opinion letter referred to in Section 5 below.

3.3 Representations and Warranties; No Default. After giving effect to this Amendment: (a) each representation and warranty of the Loan Parties contained in Section 4.01 of the Credit Agreement is true and correct on and as of the date hereof with the same effect as if made on and as of the date hereof (except to the extent any such representation or warranty is expressly stated to have been made as of a specific date, in which case such representation or warranty was true and correct as of such date) and (b) no Default has occurred and is continuing.

SECTION 4. Effectiveness of Amendment. This Amendment (including the waiver set forth in Section 2) shall become effective as of the date set forth above when the Administrative Agent has received counterparts hereof signed by the Required Lenders and the Parent; provided that the amendments set forth in Section 1 shall not become effective until the occurrence of the Re-domestication.

SECTION 5. Post-Closing Requirements. The Parent agrees that it will, within three Business Days after the effectiveness of the Re-domestication, deliver to the Administrative Agent (a) copies of the constitutional documents of the Parent as in effect after the Re-domestication, certified as being true and correct by an officer of the Parent; and (b) an opinion letter of Swiss counsel to the Parent substantially in the form of Exhibit A (and the Parent acknowledges and agrees that failure to timely deliver such items shall constitute an Event of Default).

SECTION 6. Continuing Effectiveness, etc. The Parent affirms that after giving effect to the Re-domestication and the effectiveness of this Amendment, the Credit Agreement, as amended hereby, and each other Loan Document to which any Loan Party is a party will remain in full force and effect and will continue to constitute a legal, valid and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with its terms. Without limiting the foregoing, the Parent represents and warrants that (a) the Re-domestication will not interrupt the continued corporate existence of the Parent and (b) all of the assets, property, rights, liabilities and obligations of the Parent immediately prior to the Re-domestication (including all rights, liabilities and obligations of the Parent under the Loan Documents) will continue to be the assets, property, rights, liabilities and obligations of the Parent after the Re-domestication.

SECTION 7. Swiss Withholding Tax Matters. Each Lender that is a party to this Amendment represents and warrants to the Parent and the Administrative Agent that, as of the date hereof, (a) it is a Qualifying Lender (as such term is defined in the Credit Agreement as amended hereby); (b) except as previously disclosed in writing to the Parent, such Lender has not assigned, participated, sub-participated or otherwise transferred any ownership interest in any of its rights or obligations under the Credit Agreement; and (c) it will not, without prior written notice to the Parent, assign, participate, sub-participate or otherwise transfer any ownership interest in any of its rights or obligations under the Credit Agreement prior to the date of the Re-domestication.

SECTION 8. Miscellaneous.

8.1 Effect of Amendment . After the effectiveness hereof, all references to the Credit Agreement set forth in any other agreement or instrument shall, unless otherwise specifically provided, be references to the Credit Agreement as amended hereby. Except as so amended, the Credit Agreement and the other Loan Documents shall remain in full force and effect in accordance with their respective terms. The Parent agrees that the waiver described in Section 2 is limited to the specific terms thereof and shall not constitute or be deemed a waiver of any other Default or of any right or remedy arising as a result of any such other Default.

8.2 Construction . Headings used herein are for convenience of reference only and shall not affect the meaning of this Amendment.

8.3 Incorporation of Certain Provisions . Sections 1.02, 9.03, 9.06(a), 9.11 and 9.12 of the Credit Agreement shall apply hereto as if fully set forth herein, *mutatis mutandis* (it being understood that references therein to “this Agreement” or “the Loan Documents” are references to this Amendment).

8.4 Counterparts . This Amendment may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same agreement. Delivery to the Administrative Agent of a signed counterpart hereof, or signature page hereto, by facsimile or e-mail (in a .pdf or similar file) shall be effective as delivery of an original manually-signed counterpart.

8.5 Further Assurances . Each Loan Party shall, at the request of the Administrative Agent and at its own expense, do all such acts and things necessary or desirable to give effect to the amendments effected or to be effected pursuant to this Amendment.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their duly authorized officers as of the date first above written.

ACE LIMITED

The Common Seal of ACE Limited was hereunto
affixed in the presence of:

Robert Cusumano, General Counsel & Secretary

Paul Medini, Chief Accounting Officer

*Signature Page to First Amendment to
ACE / JPMorgan Credit Agreement*

JPMORGAN CHASE BANK, N.A. , as
Administrative Agent and as a Lender

By: _____
Name: _____
Title: _____

*Signature Page to First Amendment to
ACE / JPMorgan Credit Agreement*

[Type or Print Name of Financial Institution]

By: _____

Name: _____

Title: _____

*Signature Page to First Amendment to
ACE / JPMorgan Credit Agreement*

FIRST AMENDMENT AND WAIVER
(Reimbursement Agreement)

THIS FIRST AMENDMENT AND WAIVER dated as of July 10, 2008 (this “Amendment”) amends the Second Amended and Restated Reimbursement Agreement dated as of November 8, 2007 (the “Reimbursement Agreement”) among ACE Limited (the “Parent”), certain subsidiaries thereof, various financial institutions and Wachovia Bank, National Association, as Administrative Agent. Capitalized terms used but not defined herein have the respective meanings set forth in the Reimbursement Agreement.

WHEREAS, the Parent has informed the Administrative Agent that the Parent expects to re-domesticate to move its place of incorporation from the Cayman Islands to Switzerland; and

WHEREAS, the Parent has requested and the parties have agreed to amend the Reimbursement Agreement in certain respects as more fully set forth below.

NOW, THEREFORE, the parties hereto agree as follows:

SECTION 1. Amendments to the Reimbursement Agreement. Subject to the conditions set forth in Section 4, the Reimbursement Agreement is amended as set forth in this Section 1.

1.1 The recital of parties to the Reimbursement Agreement is amended by deleting the clause “, a Cayman Islands company” immediately following the phrase “among ACE Limited” in its entirety.

1.2 The last sentence of Section 2.01 is amended by adding the words “wholly-owned” immediately before the words “Subsidiary of the Parent” therein.

1.3 Section 5.01(e) is amended by adding the phrase “or if such disclosure would violate any applicable law” before the period at the end thereof.

1.4 The first sentence of Section 9.11(a) is amended by inserting the phrase “in the Borough of Manhattan” immediately after the phrase “court of the United States of America sitting” therein.

1.5 The first sentence of Section 9.11(b) is amended by adding the phrase “sitting in the Borough of Manhattan in New York City” immediately before the period at the end thereof.

SECTION 2. Waiver. The Required Banks waive any Default that may arise under Section 5.01(d) of the Reimbursement Agreement upon the re-domestication of the Parent to move its place of incorporation from the Cayman Islands to Switzerland in the third or fourth quarter of 2008 (the “Re-domestication”).

SECTION 3. Representations and Warranties. The Parent represents and warrants as follows:

3.1 Authorization. The execution, delivery and performance by the Parent of this Amendment are within its corporate powers, have been duly authorized by all necessary corporate action, require no action by or in respect of, or filing with, any Governmental Authority or other

Person and do not contravene, or constitute a default under, any provision of applicable law or regulation or of the memorandum of association, articles of association or by-laws (or any comparable document) of any Account Party or of any material agreement, judgment, injunction, order, decree or other instrument binding upon any Account Party or any of its Subsidiaries or result in the creation or imposition of any Lien on any asset of any Account Party or any of its Subsidiaries.

3.2 Enforceability. This Amendment constitutes a legal, valid and binding obligation of the Parent enforceable against the Parent in accordance with its terms, subject to bankruptcy, insolvency or other laws of general application affecting the enforcement of creditors' rights, the application of equitable principles, the non-availability of the equitable remedies of specific performance or injunctive relief and, with respect to matters of Swiss law, the limitations and qualifications set forth in the opinion letter referred to in Section 5 below.

3.3 Representations and Warranties; No Default. After giving effect to this Amendment: (a) each representation and warranty of the Account Parties contained in Section 4.01 of the Reimbursement Agreement is true and correct on and as of the date hereof with the same effect as if made on and as of the date hereof (except to the extent any such representation or warranty is expressly stated to have been made as of a specific date, in which case such representation or warranty was true and correct as of such date) and (b) no Default has occurred and is continuing.

SECTION 4. Effectiveness of Amendment. This Amendment (including the waiver set forth in Section 2.) shall become effective as of the date set forth above when the Administrative Agent has received counterparts hereof signed by the Required Banks, Wachovia in its capacity as an Issuing Bank and the Parent; provided that the amendments set forth in Section 1 shall not become effective until the occurrence of the Re-domestication.

SECTION 5. Post-Closing Requirements. The Parent agrees that it will, within three Business Days after the effectiveness of the Re-domestication, deliver to the Administrative Agent (a) copies of the constitutional documents of the Parent as in effect after the Re-domestication, certified as being true and correct by an officer of the Parent; and (b) an opinion letter of Swiss counsel to the Parent substantially in the form of Exhibit A (and the Parent acknowledges and agrees that failure to timely deliver such items shall constitute an Event of Default).

SECTION 6. Continuing Effectiveness, etc. The Parent affirms that after giving effect to the Re-domestication and the effectiveness of this Amendment, the Reimbursement Agreement, as amended hereby, and each other Loan Document to which any Account Party is a party will remain in full force and effect and will continue to constitute a legal, valid and binding obligation of such Account Party, enforceable against such Account Party in accordance with its terms. Without limiting the foregoing, the Parent represents and warrants that (a) the Re-domestication will not interrupt the continued corporate existence of the Parent and (b) all of the assets, property, rights, liabilities and obligations of the Parent immediately prior to the Re-domestication (including all rights, liabilities and obligations of the Parent under the Loan Documents) will continue to be the assets, property, rights, liabilities and obligations of the Parent after the Re-domestication.

SECTION 7. Miscellaneous.

7.1 Effect of Amendment. After the effectiveness hereof, all references to the

Reimbursement Agreement set forth in any other agreement or instrument shall, unless otherwise specifically provided, be references to the Reimbursement Agreement as amended hereby. Except as so amended, the Reimbursement Agreement and the other Loan Documents shall remain in full force and effect in accordance with their respective terms. The Parent agrees that the waiver described in Section 2 is limited to the specific terms thereof and shall not constitute or be deemed a waiver of any other Default or of any right or remedy arising as a result of any such other Default.

7.2 Construction. Headings used herein are for convenience of reference only and shall not affect the meaning of this Amendment.

7.3 Incorporation of Certain Provisions. Sections 1.02, 9.03, 9.06, 9.11 and 9.12 of the Reimbursement Agreement shall apply hereto as if fully set forth herein, *mutatis mutandis* (it being understood that references therein to “this Agreement” or “the Loan Documents” are references to this Amendment).

7.4 Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same agreement. Delivery to the Administrative Agent of a signed counterpart hereof, or signature page hereto, by facsimile or e-mail (in a .pdf or similar file) shall be effective as delivery of an original manually-signed counterpart.

7.5 Further Assurances. Each Account Party shall, at the request of the Administrative Agent and at its own expense, do all such acts and things necessary or desirable to give effect to the amendments effected or to be effected pursuant to this Amendment.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their duly authorized officers as of the date first above written.

ACE LIMITED

The Common Seal of ACE Limited was hereunto affixed in the presence of:

Robert Cusumano, General Counsel & Secretary

Paul Medini, Chief Accounting Officer

*Signature Page to First Amendment to
Ace / Wachovia Reimbursement Agreement*

WACHOVIA BANK, NATIONAL ASSOCIATION ,
as Administrative Agent and as an Issuing Bank

By: _____
Name: _____
Title: _____

*Signature Page to First Amendment to
Ace / Wachovia Reimbursement Agreement*

[Type or Print Name of Financial Institution]

By: _____

Name: _____

Title: _____

*Signature Page to First Amendment to
Ace / Wachovia Reimbursement Agreement*

FIRST AMENDMENT AND WAIVER
(ACE INA Loan Agreement)

THIS FIRST AMENDMENT AND WAIVER dated as of July 10, 2008 (this “Amendment”) amends the Term Loan Agreement dated as of April 1, 2008 (the “Loan Agreement”) among ACE INA Holdings Inc. (the “Borrower”), ACE Limited (the “Parent”), certain subsidiaries of the Parent, various financial institutions and Bank of America, N.A., as Administrative Agent. Capitalized terms used but not defined herein have the respective meanings set forth in the Loan Agreement.

WHEREAS, the Parent has informed the Administrative Agent that the Parent expects to re-domesticate to move its place of incorporation from the Cayman Islands to Switzerland; and

WHEREAS, the Parent has requested and the parties have agreed to amend the Loan Agreement in certain respects as more fully set forth below.

NOW, THEREFORE, the parties hereto agree as follows:

SECTION 1. Amendments to Loan Agreement. Subject to the conditions set forth in Section 4, the Loan Agreement is amended as set forth in this Section 1.

1.1 Section 2.12 is amended by (a) adding “(a)” immediately following the title thereof and (b) adding the following new Section (b) at the end thereof:

(b) No proceeds of any Advance may be used directly or indirectly in Switzerland.

1.2 Section 5.01(e) is amended by adding the phrase “or if such disclosure would violate any applicable law” before the period at the end thereof.

1.3 The first sentence of Section 9.10(a) is amended by inserting the phrase “in the Borough of Manhattan” immediately after the phrase “court of the United States of America sitting” therein.

1.4 The first sentence of Section 9.10(b) is amended by adding the phrase “sitting in the Borough of Manhattan in New York City” immediately before the period at the end thereof.

SECTION 2. Waiver. The Required Lenders waive any Default that may arise under Section 5.01(d) of the Loan Agreement upon the re-domestication of the Parent to move its place of incorporation from the Cayman Islands to Switzerland in the third or fourth quarter of 2008 (the “Re-domestication”).

SECTION 3. Representations and Warranties. The Parent represents and warrants as follows:

3.1 Authorization. The execution, delivery and performance by the Parent of this Amendment are within its corporate powers, have been duly authorised by all necessary corporate action, require no action by or in respect of, or filing with, any governmental body, agency or

official and do not contravene, or constitute a default under, any provision of applicable law or regulation or of the memorandum of association, articles of association or by-laws (or any comparable document) of any Loan Party or of any material agreement, judgment, injunction, order, decree or other instrument binding upon any Loan Party or any of its Subsidiaries or result in the creation or imposition of any Lien on any asset of any Loan Party or any of its Subsidiaries.

3.2 Enforceability. This Amendment constitutes a legal, valid and binding obligation of the Parent enforceable against the Parent in accordance with its terms, subject to bankruptcy, insolvency or other laws of general application affecting the enforcement of creditors' rights, the application of equitable principles, the non-availability of the equitable remedies of specific performance or injunctive relief and, with respect to matters of Swiss law, the limitations and qualifications set forth in the opinion letter referred to in Section 5 below.

3.3 Representations and Warranties; No Default. After giving effect to this Amendment: (a) each representation and warranty of the Loan Parties contained in Section 4.01 of the Loan Agreement is true and correct on and as of the date hereof with the same effect as if made on and as of the date hereof (except to the extent any such representation or warranty is expressly stated to have been made as of a specific date, in which case such representation or warranty was true and correct as of such date) and (b) no Default has occurred and is continuing.

SECTION 4. Effectiveness of Amendment. This Amendment (including the waiver set forth in Section 2) shall become effective as of the date set forth above when the Administrative Agent has received counterparts hereof signed by the Required Lenders and the Parent; provided that the amendments set forth in Section 1 shall not become effective until the occurrence of the Re-domestication.

SECTION 5. Post-Closing Requirements. The Parent agrees that it will, within three Business Days after the effectiveness of the Re-domestication, deliver to the Administrative Agent (a) copies of the constitutional documents of the Parent as in effect after the Re-domestication, certified as being true and correct by an officer of the Parent; and (b) an opinion letter of Swiss counsel to the Parent substantially in the form of Exhibit A (and the Parent acknowledges and agrees that failure to timely deliver such items shall constitute an Event of Default).

SECTION 6. Continuing Effectiveness, etc. The Parent affirms that after giving effect to the Re-domestication and the effectiveness of this Amendment, the Loan Agreement, as amended hereby, and each other Loan Document to which any Loan Party is a party will remain in full force and effect and will continue to constitute a legal, valid and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with its terms. Without limiting the foregoing, the Parent represents and warrants that (a) the Re-domestication will not interrupt the continued corporate existence of the Parent and (b) all of the assets, property, rights, liabilities and obligations of the Parent immediately prior to the Re-domestication (including all rights, liabilities and obligations of the Parent under the Loan Documents) will continue to be the assets, property, rights, liabilities and obligations of the Parent after the Re-domestication.

SECTION 7. Miscellaneous.

7.1 Effect of Amendment. After the effectiveness hereof, all references to the Loan Agreement set forth in any other agreement or instrument shall, unless otherwise specifically

provided, be references to the Loan Agreement as amended hereby. Except as so amended, the Loan Agreement and the other Loan Documents shall remain in full force and effect in accordance with their respective terms. The Parent agrees that the waiver described in Section 2 is limited to the specific terms thereof and shall not constitute or be deemed a waiver of any other Default or of any right or remedy arising as a result of any such other Default.

7.2 Construction. Headings used herein are for convenience of reference only and shall not affect the meaning of this Amendment.

7.3 Incorporation of Certain Provisions. Sections 1.02, 9.03, 9.06(a), 9.10, 9.11, 9.12 and 9.13 of the Loan Agreement shall apply hereto as if fully set forth herein, *mutatis mutandis* (it being understood that references therein to “this Agreement” or “the Loan Documents” are references to this Amendment).

7.4 Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same agreement. Delivery to the Administrative Agent of a signed counterpart hereof, or signature page hereto, by facsimile or e-mail (in a .pdf or similar file) shall be effective as delivery of an original manually-signed counterpart.

7.5 Further Assurances. Each Loan Party shall, at the request of the Administrative Agent and at its own expense, do all such acts and things necessary or desirable to give effect to the amendments effected or to be effected pursuant to this Amendment.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their duly authorized officers as of the date first above written.

ACE LIMITED

The Common Seal of ACE Limited was hereunto affixed in the presence of:

Robert Cusumano, General Counsel & Secretary

Paul Medini, Chief Accounting Officer

*Signature Page to Amendment to
Ace / BofA Loan Agreement*

BANK OF AMERICA, N.A. , as Administrative Agent
and as a Lender

By: _____
Name: _____
Title: _____

*Signature Page to Amendment to
Ace / BofA Loan Agreement*

[Type or Print Name of Financial Institution]

By: _____

Name: _____

Title: _____