

# ACE LTD

## FORM 8-K (Current report filing)

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

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**FORM 8-K**

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**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 18, 2008**

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**ACE LIMITED**

(Exact name of registrant as specified in its charter)

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**Switzerland**  
(State or other jurisdiction  
of incorporation)

**1-11778**  
(Commission File Number)

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

**Mainaustrasse 30  
Zurich CH-8008  
Switzerland**  
(Address of principal executive offices)

**Registrant's telephone number, including area code: +41 (0)43 456 76 00**

**17 Woodbourne Avenue  
Hamilton HM 08 Bermuda**  
(Former name or former address, if changed since last report)

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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 3.03 Material Modification to Rights of Security Holders**

The rights of the Company's Common Shares are governed by the Company's Swiss Articles of Association, which are further described in the 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 ("the Proxy Statement/Prospectus"), under the headings "Proposal No. 5: Approval of the Continuation—Description of Share Capital", "Proposal No. 8: Approval of the Rearrangement of the Company's Existing Share Capital" and "Proposal No. 15: Approval of Dividend in the Form of a Par Value Reduction", which is hereby incorporated herein by reference. These Articles of Association became effective upon the Company's re-domestication from the Cayman Islands to Switzerland on July 18, 2008. The Articles of Association are attached hereto as Exhibit 4.1 and are incorporated by reference herein. Exhibit 4.1 contains the Articles of Association, including the numbers that were intentionally left blank in the Proxy Statement/Prospectus and which were calculated based on the number of Ordinary Shares issued and outstanding, the determination of the new par value in Swiss francs and the aggregate par value reduction, as further described on the Proxy Statement/Prospectus.

### **Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year**

The Company's Swiss Articles of Association, which are further described in the Company's Proxy Statement/Prospectus under the heading "Proposal No. 5: Approval of the Continuation—Description of Share Capital", which is hereby incorporated herein by reference, became effective upon the Company's re-domestication from the Cayman Islands to Switzerland on July 18, 2008.

The Company's Organizational Regulations became effective upon the Company's re-domestication from the Cayman Islands to Switzerland on July 18, 2008.

The Articles of Association and the Organizational Regulations are attached hereto as Exhibits 4.1 and 4.2, respectively, and are incorporated by reference herein. Exhibit 4.1 contains the Articles of Association, including the numbers that were intentionally left blank in the Proxy Statement/Prospectus and which were calculated based on the number of Ordinary Shares issued and outstanding, the determination of the new par value in Swiss francs and the aggregate par value reduction, as further described on the Proxy Statement/Prospectus.

### **Item 7.01 Regulation FD disclosure**

On July 18, 2008, the Company's re-domestication from the Cayman Islands to Switzerland was completed. Upon the effectiveness of the re-domestication, the Company's CUSIP number was changed to H0023R 10 5. See the Company's press release dated July 18, 2008, a copy of which is attached hereto as Exhibit 99.1 and which is incorporated herein by reference.

### **Item 9.01 Financial Statements and Exhibits.**

#### **(d) Exhibits**

<u>Exhibit Number</u>	<u>Description</u>
4.1	Articles of Association of the Company
4.2	Organizational Regulations of the Company
4.3	Specimen share certificate
99.1	Press Release dated July 18, 2008

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**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 18, 2008

**STATUTEN**

der

**ACE Limited  
(ACE AG)  
(ACE SA)****ARTICLES OF ASSOCIATION\***

of

**ACE Limited  
(ACE AG)  
(ACE SA)****I. Firma, Sitz und Zweck der Gesellschaft****Artikel 1 Firma, Sitz und Dauer der Gesellschaft**

Unter der Firma

**ACE Limited  
(ACE AG)  
(ACE SA)**

besteht eine Aktiengesellschaft gemäss Artikel 620 ff. OR mit Sitz in Zürich. Die Dauer der Gesellschaft ist unbeschränkt.

**Artikel 2 Zweck**

- a) Hauptzweck der Gesellschaft ist der Erwerb, das Halten und der Verkauf von Beteiligungen an Unternehmen, insbesondere, jedoch nicht ausschliesslich, solcher der Direkt- und Rückversicherungsbranche.

**I. Name, Domicile and Purpose of the Company****Article 1 Corporate Name, Registered Office and Duration**

Under the corporate name

**ACE Limited  
(ACE AG)  
(ACE SA)**

a Company exists pursuant to art. 620 et seq. of the Swiss Code of Obligations (hereinafter "CO") having its registered office in Zurich. The duration of the Company is unlimited.

**Article 2 Purpose**

- a) The main purpose of the Company is to acquire, hold, manage and to sell equity participations, including in insurance and reinsurance companies as well as in other companies.

\* Die deutsche Fassung der Statuten ist massgeblich. The German version of the articles of association is the governing version.

Die Gesellschaft kann Finanz- und Management-Transaktionen ausführen. Sie kann Zweigniederlassungen und Tochtergesellschaften im In- und Ausland errichten.

Die Gesellschaft kann im In- und Ausland Grundstücke erwerben, halten und veräussern.

- b) Die Gesellschaft kann alle Geschäfte tätigen, die geeignet sind, den Zweck der Gesellschaft zu fördern und mit dem Zweck im Zusammenhang stehen.

## **II. Aktienkapital und Aktien**

### **Artikel 3 Aktienkapital**

- a) Das Aktienkapital der Gesellschaft beträgt CHF 11'311'110'325.34 und ist eingeteilt in 335'243'341 auf den Namen lautende Aktien im Nennwert von CHF 33.74 je Aktie. Das Aktienkapital ist vollständig liberiert.
- b) Auf Beschluss der Generalversammlung können jederzeit Namenaktien in Inhaberaktien und Inhaberaktien in Namenaktien umgewandelt werden.

### **Artikel 4 Bedingtes Aktienkapital für Anleiheobligationen und ähnliche Instrumente der Fremdfinanzierung**

- a) Das Aktienkapital der Gesellschaft wird im Maximalbetrag von CHF 1'113'420'000 durch Ausgabe von höchstens 33'000'000 vollständig zu liberierenden Namenaktien mit einem Nennwert von CHF 33.74 je Aktie erhöht, bei und im Umfang der Ausübung von Wandel- und/oder Optionsrechten, welche im Zusammenhang mit von der Gesellschaft oder ihren Tochtergesellschaften emittierten oder noch zu emittierenden Anleiheobligationen, Notes oder ähnlichen Obligationen oder Schuldverpflichtungen eingeräumt wurden/werden, einschliesslich Wandelanleihen.

The Company may carry out finance and management transactions and set up branches and subsidiaries in Switzerland and abroad.

The Company may acquire, hold and sell real estate in Switzerland and abroad.

- b) The Company may engage in all types of transactions and may take all measures that appear appropriate to promote the purpose of the Company or that are related to the same.

## **II. Share Capital and Shares**

### **Article 3 Share Capital**

- a) The share capital of the Company amounts to CHF 11,311,110,325.34 and is divided into 335,243,341 registered shares with a nominal value of CHF 33.74 per share. The share capital is fully paid-in.
- b) Upon resolution of the General Meeting of Shareholders, registered shares may be converted into bearer shares and bearer shares may be converted into registered shares, at any time.

### **Article 4 Conditional Share Capital for Bonds and Similar Debt Instruments**

- a) The share capital of the Company shall be increased by an amount not exceeding CHF 1,113,420,000 through the issue of a maximum of 33,000,000 registered shares, payable in full, each with a nominal value of CHF 33.74 through the exercise of conversion and/or option or warrant rights granted in connection with bonds, notes or similar instruments, issued or to be issued by the Company or by subsidiaries of the Company, including convertible debt instruments.

- b) Das Bezugsrecht der Aktionäre ist für diese Aktien ausgeschlossen. Das Vorwegzeichnungsrecht der Aktionäre in Bezug auf neue Anleiheobligationen, Notes oder ähnlichen Obligationen oder Schuldverpflichtungen kann durch Beschluss des Verwaltungsrates zu folgenden Zwecken eingeschränkt oder ausgeschlossen werden: Finanzierung und Refinanzierung des Erwerbs von Unternehmen, Unternehmensteilen oder Beteiligungen, von durch die Gesellschaft geplanten neuen Investitionen oder bei der Emission von Options- und Wandelanleihen über internationale Kapitalmärkte sowie im Rahmen von Privatplatzierungen. Der Ausschluss des Vorwegzeichnungsrechts ist ausschliesslich unter folgenden kumulativen Bedingungen zulässig: (1) Die Instrumente müssen zu Marktkonditionen emittiert werden, (2) die Frist, innerhalb welcher die Options- und Wandelrechte ausgeübt werden können, darf ab Zeitpunkt der Emission des betreffenden Instruments bei Optionsrechten 10 Jahre und bei Wandelrechten 20 Jahre nicht überschreiten und (3) der Umwandlungs- oder Ausübungspreis für die neuen Aktien hat mindestens dem Marktpreis zum Zeitpunkt der Emission des betreffenden Instruments zu entsprechen.
- c) Der Erwerb von Namenaktien durch Ausübung von Wandel- und Optionsrechten sowie sämtliche weiteren Übertragungen von Namenaktien unterliegen den Übertragungsbeschränkungen gemäss Art. 8 der Statuten.

**Artikel 5 Bedingtes Aktienkapital für Mitarbeiterbeteiligungen**

- a) Das Aktienkapital der Gesellschaft wird im Maximalbetrag von CHF 1'113'420'000 durch Ausgabe von höchstens 33'000'000

- b) Shareholders' pre-emptive rights are excluded. Shareholders' advance subscription rights with regard to the new bonds, notes or similar instruments may be restricted or excluded by decision of the Board of Directors in order to finance or re-finance the acquisition of companies, parts of companies or holdings, or new investments planned by the Company, or in order to issue convertible bonds and warrants on the international capital markets or through private placement. If advance subscription rights are excluded, then (1) the instruments are to be placed at market conditions, (2) the exercise period is not to exceed ten years from the date of issue for warrants and twenty years for conversion rights and (3) the conversion or exercise price for the new shares is to be set at least in line with the market conditions prevailing at the date on which the instruments are issued.
- c) The acquisition of registered shares through the exercise of conversion rights or warrants and any further transfers of registered shares shall be subject to the restrictions specified in Article 8 of the Articles of Association.

**Article 5 Conditional Share Capital for Employee Benefit Plans**

- a) The share capital of the Company shall be increased by an amount not exceeding CHF 1,113,420,000 through the issue from time to

vollständig zu liberierenden Namenaktien mit einem Nennwert von CHF 33.74 je Aktie erhöht bei und im Umfang der Ausübung von Optionen, welche Mitarbeitern der Gesellschaft oder ihrer Tochtergesellschaften sowie Beratern, Direktoren oder anderen Personen, welche Dienstleistungen für die Gesellschaft oder ihre Tochtergesellschaften erbringen, eingeräumt wurden/werden.

- b) Bezüglich dieser Aktien ist das Bezugsrecht der Aktionäre ausgeschlossen. Neue Aktien dieser Art können unter dem aktuellen Marktpreis ausgegeben werden. Der Verwaltungsrat bestimmt bei einer solchen Emission die spezifischen Konditionen, inkl. den Preis der Aktien.
- c) Der Erwerb von Namenaktien im Zusammenhang mit Mitarbeiterbeteiligungen sowie sämtliche weiteren Übertragungen von Namenaktien unterliegen den Übertragungsbeschränkungen gemäss Art. 8 der Statuten.

#### **Artikel 6 Genehmigtes Kapital zu allgemeinen Zwecken**

- a) Der Verwaltungsrat ist ermächtigt das Aktienkapital jederzeit bis 14. Juli 2008 im Maximalbetrag von CHF 3'365'565'000 durch Ausgabe von höchstens 99'750'000 vollständig zu liberierenden Namenaktien mit einem Nennwert von CHF 33.74 je Aktie zu erhöhen.
- b) Erhöhungen durch Festübernahme oder in Teilbeträgen sind zulässig. Der Ausgabepreis, der Zeitpunkt der Dividendenberechtigung und die Art der Liberierung (inkl. Sacheinlage oder Sachübernahme) werden vom Verwaltungsrat bestimmt. Der Verwaltungsrat kann eingeräumte jedoch nicht ausgeübte Bezugsrechte von der Kapitalerhöhung ausschliessen (sofern im Erhöhungsbeschluss ein Maximalbetrag angegeben wurde) oder diese zu marktüblichen Konditionen verkaufen.

time of a maximum of 33,000,000 registered shares, payable in full, each with a nominal value of CHF 33.74, in connection with the exercise of option rights granted to any employee of the Company or a subsidiary, and any consultant, director, or other person providing services to the Company or a subsidiary.

- b) Shareholders' pre-emptive rights shall be excluded with regard to these shares. These new registered shares may be issued at a price below the current market price. The Board of Directors shall specify the precise conditions of issue including the issue price of the shares.
- c) The acquisition of registered shares in connection with employee participation and any further transfers of registered shares shall be subject to the restrictions specified in Article 8 of the Articles of Association.

#### **Article 6 Authorized Share Capital for General Purposes**

- a) The Board of Directors is authorized to increase the share capital from time to time and at any time until 14 July 2008 by an amount not exceeding CHF 3,365,565,000 through the issue of up to 99,750,000 fully paid up registered shares with a nominal value of CHF 33.74 each.
- b) Increases through firm underwriting or in partial amounts are permitted. The issue price, the period of entitlement to dividends and the type of consideration or the contribution or underwriting in kind shall be determined by the Board of Directors. The Board of Directors may exclude pre-emptive rights that have not been exercised from the capital increase or may sell such pre-emptive rights at market conditions.

- c) Der Verwaltungsrat ist ermächtigt, Bezugsrechte der Aktionäre auszuschliessen und diese Dritten zuzuweisen, wenn die neu auszugebenden Aktien zu folgenden Zwecken verwendet werden: (1) Für den Erwerb von Unternehmen, Unternehmensteilen oder Beteiligungen oder von neuen Investitionsvorhaben der Gesellschaft, für Fusionen oder Aktientausche oder zur direkten oder indirekten Mittelaufnahme auf internationalen Kapitalmärkten, (2) zur Erweiterung des Aktionariats oder (3) zum Zwecke der Mitarbeiterbeteiligung.
- d) Der Erwerb von Namenaktien aus genehmigtem Kapital zu allgemeinen Zwecken sowie sämtliche weiteren Übertragungen von Namenaktien unterliegen den Übertragungsbeschränkungen gemäss Art. 8 der Statuten.

#### **Artikel 7 Aktienzertifikate**

- a) Die Gesellschaft kann auf Druck und Auslieferung der Aktienzertifikate verzichten sowie bereits gedruckte Zertifikate annullieren. Letzteres setzt die Einlieferung der Zertifikate bei der Gesellschaft sowie das Einverständnis der Aktionäre voraus. Der Aktionär kann jedoch von der Gesellschaft jederzeit kostenlos Druck und Auslieferung der Aktienzertifikate verlangen. Die Gesellschaft kann die Namenaktien ihrerseits jederzeit drucken.
- b) Nicht verurkundete Namenaktien einschliesslich der daraus entspringenden Rechte können nur durch Zession übertragen werden. Die Zession bedarf zur Gültigkeit der Anzeige an die Gesellschaft. Die Berechtigung an den Zertifikaten der übertragenen Aktien wird durch rechtsgültige Zession übertragen und bedarf keiner Zustimmung seitens der Gesellschaft. Die Bank, welche abgetretene Namenaktien für die Aktionäre verwaltet, kann von der Gesellschaft über die erfolgte Zession benachrichtigt werden.

- c) The Board of Directors is authorized to exclude the preemptive rights of the shareholders and to allocate them to third parties in the event of the use of shares for the purpose of (1) acquisition of companies, parts of an enterprise or investments, for mergers and exchange of investments or in the case of a share placement for the financing of such transactions, (2) broadening the shareholder constituency or (3) for the purpose of the participation of employees.
- d) The acquisition of registered shares out of authorized share capital for general purposes and any further transfers of registered shares shall be subject to the restrictions specified in Article 8 of the Articles of Association.

#### **Article 7 Share Certificates**

- a) The Company may forego the printing and delivery of registered shares and may cancel without replacement already printed shares. Registered shares already issued can only be cancelled when they are returned to the Company and the shareholder agrees. The shareholder may request at any time, without cost, the printing and delivery of his registered shares. The Company may for its part print out the registered shares at any time.
- b) Registered shares not physically represented by certificates and the rights arising therefrom can only be transferred by assignment. Such assignment shall not be valid unless notice is given to the Company. Title to the certificate of the transferred share is passed on to the transferee through legal and valid assignment and does not need the explicit consent of the Company. The bank which handles the book entries of the assigned registered shares on behalf of the shareholders may be notified by the Company of the assignment.

- c) Nicht verurkundete Namenaktien sowie die daraus entspringenden Vermögensrechte können ausschliesslich zugunsten der Bank, welche die Aktien im Auftrag des betreffenden Aktionärs verwaltet, verpfändet werden. Die Verpfändung bedarf eines schriftlichen Pfandvertrags. Eine Benachrichtigung der Gesellschaft ist nicht erforderlich.

**Artikel 8 Aktienregister; Beschränkungen der Übertragbarkeit**

- a) Für die Namenaktien wird ein Aktienbuch geführt. Darin werden die Eigentümer und Nutzniesser mit Namen und Vornamen, Wohnort, Adresse und Staatsangehörigkeit (bei juristischen Personen mit Sitz) eingetragen.
- b) Zur Eintragung ins Aktienbuch als Aktionär mit Stimmrecht ist die Zustimmung des Verwaltungsrats notwendig. Die Eintragung als Aktionär mit Stimmrecht kann in den in Art. 8 lit. c), d), e) und f) der Statuten festgehaltenen Fällen abgelehnt werden. Lehnt der Verwaltungsrat die Eintragung des Erwerbers als Aktionär mit Stimmrecht ab, benachrichtigt er diesen innerhalb von 20 Tagen seit dem Eingang des Eintragungsgesuchs. Nicht anerkannte Erwerber werden als Aktionäre ohne Stimmrecht ins Aktienbuch eingetragen. Die entsprechenden Aktien gelten in der Generalversammlung als nicht vertreten.
- c) Eine natürliche oder juristische Person wird in dem Umfang nicht als Aktionärin mit Stimmrecht im Aktienbuch eingetragen, in welchem die von ihr direkt oder indirekt im Sinne von Art. 14 der Statuten gehaltene oder sonstwie kontrollierte Beteiligung 10% oder mehr des im Handelsregister eingetragenen Aktienkapitals beträgt. Dabei gelten Personen, die durch Absprache, Kapital, Stimmkraft, Leitung, Syndikat oder auf andere Weise miteinander verbunden sind, als eine Person. Im Umfang, in welchem eine derartige Beteiligung 10% oder mehr des Aktienkapitals beträgt, werden die entsprechenden Aktien ohne Stimmrecht ins Aktienbuch eingetragen.

- c) Registered shares not physically represented by certificates and the financial rights arising from these shares may only be pledged to the bank handling the book entries of such shares for the shareholder. The pledge must be made by means of a written pledge agreement. Notice to the Company is not required.

**Article 8 Shareholder's Register, Transfer Restrictions**

- a) Registered shares are issued in the name of the owner or the usufructuary. This person shall be entered in the share register with his name, address, domicile and citizenship (domicile in case of legal entities).
- b) Entry in the share register of registered shares with voting rights is subject to the approval of the Board of Directors. Entry of registered shares with voting rights may be refused based on the grounds set out in Article 8 para. c), d), e) and f). If the Board of Directors refuses to register the acquirer as shareholder with voting rights it shall notify the acquirer of such refusal within 20 days upon receipt of the application. Non-recognized acquirers shall be entered in the share register as shareholders without voting rights. The corresponding shares shall be considered as not represented in the General Meeting of Shareholders.
- c) No individual or legal entity may, directly or indirectly, formally, constructively or beneficially own (as defined in Article 14 below) or otherwise control voting rights with respect to 10% or more of the registered share capital recorded in the Commercial Register. Those associated through capital, voting power, joint management or in any other way, or joining for the acquisition of shares, shall be regarded as one person. The registered shares exceeding the limit of 10% shall be entered in the share register as shares without voting rights.

- d) Die oben erwähnte 10% Limite gilt auch bei der Zeichnung oder Erwerb von Aktien, welche mittels Ausübung von Options- oder Wandelrechten aus Namen- oder Inhaberpapieren oder sonstigen von der Gesellschaft oder Dritten ausgestellten Wertpapieren oder welche mittels Ausübung von erworbenen Bezugsrechten aus Namen- oder Inhaberaktien gezeichnet oder erworben werden. Im Umfang, in welchem eine daraus resultierende Beteiligung 10% oder mehr des Aktienkapitals beträgt, werden die entsprechenden Aktien ohne Stimmrecht ins Aktienbuch eingetragen.
- e) Der Verwaltungsrat verweigert die Eintragung ins Aktienbuch als Aktionär mit Stimmrecht oder entscheidet über die Löschung eines bereits eingetragenen Aktionärs mit Stimmrecht aus dem Aktienbuch, wenn der Erwerber auf sein Verlangen hin nicht ausdrücklich erklärt, dass er die Aktien im eigenen Namen und auf eigene Rechnung erworben hat.
- f) Der Verwaltungsrat verweigert die Eintragung natürlicher und juristischer Personen, welche Namenaktien für Dritte halten und dies schriftlich gegenüber der Gesellschaft erklären werden, als Treuhänder/Nominees mit unbeschränktem Stimmrecht ins Aktienbuch oder entscheidet über die Löschung aus dem Aktienbuch, wenn sie sich nicht dazu verpflichten, gegenüber der Gesellschaft auf deren schriftliches Verlangen hin jederzeit die Namen, Adressen und Beteiligungsquote derjenigen Personen offenzulegen, für welche sie die Namenaktien halten.
- g) Der Verwaltungsrat kann in besonderen Fällen Ausnahmen von den obgenannten Beschränkungen (Artikel 8 lit. c), d), e) and f) der Statuten) genehmigen. Sodann kann der Verwaltungsrat nach Anhörung der betroffenen Personen deren Eintragungen im Aktienbuch als Aktionäre rückwirkend streichen, wenn diese durch falsche Angaben zustande gekommen sind oder wenn die betroffene Person die Auskunft gemäss Artikel 8 lit. f) verweigert.
- d) The limit of 10% of the registered share capital also applies to the subscription for, or acquisition of, registered shares by exercising option or convertible rights arising from registered or bearer securities or any other securities issued by the Company or third parties, as well as by means of exercising purchased preemptive rights arising from either registered or bearer shares. The registered shares exceeding the limit of 10% shall be entered in the share register as shares without voting rights.
- e) The Board of Directors shall reject entry of registered shares with voting rights in the share register or shall decide on their cancellation when the acquirer or shareholder upon request does not expressly state that she/he has acquired or holds the shares in her/his own name and for her/his own account.
- f) The Board of Directors shall reject entry of individuals and legal entities, who hold registered shares for third parties and state this in writing to the Company, as nominees in the share register with voting rights without limitation or shall decide on their cancellation when the nominee does not undertake the obligation to disclose at any time to the Company at its written request the names, addresses and share holdings of each person for whom such nominee is holding shares.
- g) The Board of Directors may in special cases approve exceptions to the above regulations (Article 8 para. c), d), e) and f)). The Board of Directors is in addition authorized, after due consultation with the person concerned, to delete with retroactive effect entries in the share register which were effected on the basis of false information and/or to delete entries in case the respective person refuses to make the disclosures according to Article 8 para. f).

- h) Solange ein Erwerber nicht Aktionär mit Stimmrecht im Sinne von Art. 8 der Statuten geworden ist, kann er weder die entsprechenden Stimmrechte noch die weiteren mit diesen in Zusammenhang stehenden Rechte wahrnehmen.

### **III. Organisation**

#### **A. Die Generalversammlung**

##### **Artikel 9 Befugnisse**

Die Generalversammlung ist das oberste Organ der Gesellschaft. Sie hat die folgenden unübertragbaren Befugnisse:

1. die Festsetzung und Änderung der Statuten;
2. die Wahl der Mitglieder des Verwaltungsrates und der Revisionsstelle;
3. die Genehmigung des Jahresberichts, der Jahresrechnung und der Konzernrechnung sowie die Beschlussfassung über die Verwendung des Bilanzgewinns, insbesondere die Festsetzung der Dividende;
4. die Entlastung der Mitglieder des Verwaltungsrats;
5. die Beschlussfassung über die Gegenstände, die der Generalversammlung durch das Gesetz oder die Statuten vorbehalten sind oder welche ihr vom Verwaltungsrat vorgelegt werden.

- h) Until an acquirer becomes a shareholder with voting rights for the shares in accordance with this Article 8, she/he may neither exercise the voting rights connected with the shares nor other rights associated with the voting rights.

### **III. Organization**

#### **A. The General Meeting**

##### **Article 9 Authorities**

The General Meeting is the supreme corporate body of the Company. It has the following non-transferable powers:

1. to adopt and amend the Articles of Association;
2. to elect and remove the members of the Board of Directors and the Auditors;
3. to approve the statutory required annual report, the annual accounts and the consolidated financial statements as well as to pass resolutions regarding the allocation of profits as shown on the balance sheet, in particular to determine the dividends;
4. to grant discharge to the members of the Board of Directors; and
5. to pass resolutions regarding items which are reserved to the General Meeting by law or by the Articles of Association or which are presented to it by the Board of Directors.

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**Artikel 10 Generalversammlungen sowie deren Einberufung**

- a) Die ordentliche Generalversammlung findet alljährlich innerhalb von sechs Monaten nach Abschluss des Geschäftsjahres statt. Zeitpunkt und Ort, welcher im In- oder Ausland sein kann, werden durch den Verwaltungsrat bestimmt.
- b) Ausserordentliche Generalversammlungen finden statt, wenn es die Generalversammlung, die Revisionsstelle oder der Verwaltungsrat für notwendig erachten. Ausserdem müssen ausserordentliche Generalversammlungen einberufen werden, wenn stimmberechtigte Aktionäre, welche zusammen mindestens 10% des Aktienkapitals vertreten, es verlangen.

**Artikel 11 Einberufung**

Die Generalversammlung wird durch den Verwaltungsrat, nötigenfalls durch die Revisionsstelle oder die Liquidatoren, einberufen. Die Einladung erfolgt mindestens 20 Tage vor der Versammlung durch Publikation im Schweizerischen Handelsamtsblatt.

**Artikel 12 Traktanden**

- a) Der Verwaltungsrat nimmt die Traktandierung der Verhandlungsgegenstände vor.
- b) Ein oder mehrere mit Stimmrecht eingetragene Aktionäre können, gemäss den gesetzlichen Bestimmungen, vom Verwaltungsrat die Traktandierung eines Verhandlungsgegenstandes verlangen. Das Begehren um Traktandierung ist schriftlich unter Angabe der Verhandlungsgegenstände und der Anträge an den Präsidenten des Verwaltungsrates mindestens 45 Tage vor der Generalversammlung einzureichen.

**Article 10 Meetings and Convening the Meeting**

- a) The ordinary General Meeting shall be held annually within six months after the close of the business year at such time and at such location, which may be within or outside Switzerland, as determined by the Board of Directors.
- b) Extraordinary General Meetings may be called by resolution of the General Meeting, the Auditors or the Board of Directors, or by shareholders with voting powers, provided they represent at least 10% of the share capital.

**Article 11 Notice**

The General Meeting is summoned by the Board of Directors or if necessary by the Auditors or the liquidators. Notice of the General Meeting shall be given by publication in the "Schweizerisches Handelsamtsblatt" at least 20 days before the date of the meeting.

**Article 12 Agenda**

- a) The Board of Directors shall state the matters on the agenda.
- b) One or more registered Shareholders may in compliance with the legal requirements demand that matters be included in the agenda. Such demands shall be in writing and shall specify the items and the proposals and has to be submitted to the Chairman up to 45 days before the date of the meeting.

- c) Über Anträge zu nicht gehörig angekündigten Verhandlungsgegenständen, welche auch nicht im Zusammenhang mit einem gehörig traktandierten Verhandlungsgegenstand stehen, können keine Beschlüsse gefasst werden, ausser in den gesetzlich vorgesehenen Fällen.
- d) In der Einberufung der Versammlung werden die Traktanden und die Anträge des Verwaltungsrates sowie derjenigen Aktionäre bekanntgegeben, welche die Traktandierung oder die Durchführung einer Generalversammlung verlangt haben.

#### **Artikel 13 Vorsitz und Protokoll**

- a) Den Vorsitz in der Generalversammlung führt der Präsident des Verwaltungsrates, bei dessen Verhinderung ein anderes vom Verwaltungsrat bezeichnetes Mitglied des Verwaltungsrates oder ein anderer von der Generalversammlung für den betreffenden Tag bezeichneter Vorsitzender.
- b) Der Vorsitzende bezeichnet einen Protokollführer sowie die Stimmenzähler, welche keine Aktionäre sein müssen.
- c) Der Verwaltungsrat ist verantwortlich für die Protokollführung. Das Protokoll wird vom Vorsitzenden und vom Protokollführer unterzeichnet.

#### **Artikel 14 Stimmrecht und Vertreter**

- a) Jede Aktie berechtigt, unter Vorbehalt der Einschränkungen gemäss Art. 8 und Art. 14 lit. b) der Statuten, zu einer Stimme. Jeder stimmberechtigte Aktionär kann seine Aktien durch eine andere von ihm schriftlich bevollmächtigte Person vertreten lassen, welche kein Aktionär sein muss.

- c) No resolution shall be passed on matters proposed only at the General Meeting and which have no bearing on any of the proposed items of the agenda, apart from those exceptions permitted by law.
- d) The notice of the meeting shall state the matters on the agenda and the proposals of the Board of Directors and of those shareholders who have demanded that a meeting be called or that matters be included in the agenda.

#### **Article 13 Chair, Minutes**

- a) The General Meeting shall be chaired by the Chairman, or, in his absence, by another member of the Board of Directors, or by another Chairman elected for that day by the General Meeting.
- b) The Chairman designates a Secretary for the minutes as well as the scrutinizers who need not be shareholders.
- c) The Board of Directors is responsible for the keeping of the minutes, which are to be signed by the Chairman and by the Secretary.

#### **Article 14 Voting Rights and Shareholders Proxies**

- a) Each share is entitled to one vote subject to the provisions of Article 8 and Art. 14 para. b) below. Each shareholder may be represented at the General Meeting by another person who is authorized by a written proxy and who does not need to be a shareholder.

- b) Ungeachtet lit. a) vorstehend, gilt Folgendes: Sobald und solange eine natürliche oder juristische Person 10% oder mehr des im Handelsregister eingetragenen Aktienkapitals der Gesellschaft kontrolliert, ist diese bei ordentlichen oder ausserordentlichen Generalversammlungen maximal zu den gemäss nachfolgender Formel zu eruiierenden Stimmen (abgerundet auf die nächst tiefere, runde Zahl) berechtigt:

$$(T \div 10) - 1$$

Wobei gilt: "T" ist gleich der Gesamtanzahl der Stimmrechte, welche auf dem im Handelsregister eingetragenen gesamten Aktienkapital der Gesellschaft verliehen werden.

- c) Als "kontrolliert" im Sinne dieses Artikels gelten folgende Aktien:
- (aa) alle Aktien der Gesellschaft, welche direkt oder indirekt von einer natürlichen oder juristischen Person gehalten werden, wobei:
- (i) Aktien, welche direkt oder indirekt von einer Personengesellschaft (*Partnership*), von einem Trust oder einer anderweitigen Vermögensmasse (z.B. Nachlass) gehalten werden, anteilmässig auf die hinter diesen Strukturen stehenden Partner oder wirtschaftlich Berechtigten angerechnet werden; und
  - (ii) Aktien, welche direkt oder indirekt von einer körperschaftlich organisierten Gesellschaft gehalten werden als anteilmässig von den Aktionären solcher Gesellschaften, welche ihrerseits mehr als 50% der ausgegebenen stimmberechtigten Aktien ebensolcher halten, gehalten gelten; und

- b) Notwithstanding para. a) above, if and so long as the Controlled Shares of any individual or legal entity constitute ten percent (10%) or more of the registered share capital recorded in the Commercial Register, such individual or legal entity shall be entitled to cast votes at any General Meeting or Extraordinary General Meeting in the aggregate equal to the number (rounded down to the nearest whole number) obtained from following formula:

$$(T \div 10) - 1$$

Where: "T" is the aggregate number of votes conferred by all the registered share capital recorded in the Commercial Register.

- c) For purposes of this Article 14, "Controlled Shares" in reference to any individual or entity means:
- (aa) all shares of the Company directly, indirectly or constructively owned by such individual or entity; provided that
- (i) shares owned, directly or indirectly, by or for a partnership, or trust or estate will be considered as being owned proportionately by its partners, or beneficiaries; and
  - (ii) shares owned, directly or indirectly, by or for a corporation will be considered as being owned proportionately by any shareholder owning 50% or more of the outstanding voting shares of such corporation; and

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| (iii) Aktien, welche durch die Ausübung von Wandel-, Options- oder ähnlichen Rechten entstehen können, als vom Inhaber des entsprechenden Rechts gehalten gelten; und   | (iii) shares subject to options, warrants or other similar rights shall be deemed to be owned; and  |
| (bb) alle Aktien der Gesellschaft, welche direkt oder indirekt von einer natürlichen oder juristischen Person als wirtschaftlich Berechtigte gehalten werden, wobei als solche jede Person gilt, die:   | (bb) all Shares of the Company directly, indirectly beneficially owned by such individual or entity; provided that  |
| (i) direkt oder indirekt, durch jede Art von Vertrag, Vereinbarung, anderweitige Rechtsbeziehung oder sonstige alleine oder zusammen mit anderen derartigen Personen über Folgendes verfügt:  | (i) a beneficial owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares:   |
| (1) Einfluss auf das Stimmrecht der betreffenden Aktien, sei dies direkt oder indirekt; und/oder  | (1) voting power which includes the power to vote, or to direct the voting of, such security; and/or  |
| (2) Einfluss auf die Verfügungsberechtigung an den betreffenden Aktien, sei dies direkt oder indirekt;  | (2) investment power which includes the power to dispose, or to direct the disposition of, such security.   |
| (ii) direkt oder indirekt Trusts, Vollmachten, übrige Vertretungsberechtigungen oder sonstige vertragliche Abreden errichtet oder benutzt in der Absicht, ihre wirtschaftliche Berechtigung an den Aktien zu überdecken, um die einschlägigen Bestimmungen dieser Statuten über die als kontrolliert geltenden Aktien zu umgehen; | (ii) Any person who, directly or indirectly, creates or uses a trust, proxy, power of attorney, pooling arrangement or any other contract, arrangement, or device with the purpose or effect of divesting such person of beneficial ownership of shares of the Company or preventing the vesting of such beneficial ownership as part of a plan or scheme to evade the provisions of these articles of association shall be deemed to be the beneficial owner of such shares. |

- (iii) die das Recht hat innerhalb von 60 Tagen die wirtschaftliche Berechtigung an Aktien zu erwerben, insbesondere, jedoch nicht abschliessend, durch: (A) Ausübung von Wandel-, Options- oder sonstigen Rechten; (B) durch die Umwandlung eines Wertpapiers; (C) durch die automatische Aufhebung eines Trusts, eines Vermögensverwaltungskontos oder einer ähnlichen Vereinbarung; oder (D) durch Ablauf der Dauer eines Trusts, eines Vermögensverwaltungskontos oder einer ähnlichen Vereinbarung.
- d) Der Verwaltungsrat hat das Recht die Bestimmungen des Artikels 14 der Statuten auszulegen und die Berechtigung von natürlichen und juristischen Personen an Aktien der Gesellschaft zur Sicherstellung der Umsetzung dieser Bestimmungen festzulegen. Bei der Auslegung kann der Verwaltungsrat Gesetze, Reglemente und übrige Bestimmungen sowie Rechtsprechung aus dem In- und Ausland beiziehen, welche Art. 14 der Statuten ähnlich sind.
- e) Der Verwaltungsrat kann in besonderen Fällen Ausnahmen von den vorerwähnten Stimmrechtsbeschränkungen gewähren.

#### **Artikel 15 Beschlüsse**

- a) Die Generalversammlung ist beschlussfähig ohne Rücksicht auf die Zahl der anwesenden Aktionäre oder der vertretenen Aktien.
- b) Die Generalversammlung fasst ihre Beschlüsse und vollzieht ihre Wahlen mit der absoluten Mehrheit der vertretenen Aktienstimmen, soweit das Gesetz oder diese Statuten nichts anderes vorsehen.

- (iii) A person shall be deemed to be the beneficial owner of shares if that person has the right to acquire beneficial ownership of such shares within 60 days, including but not limited to any right to acquired: (A) through the exercise of any option, warrant or right; (B) through the conversion of a security; (C) pursuant to the power to revoke a trust, discretionary account, or similar arrangement; or (D) pursuant to the automatic termination of a trust, discretionary account or similar arrangement.

- d) The Board of Directors shall have the authority to interpret the provisions of this Article 14 and to determine the ownership of shares by any individual or entity so as to fully implement the provisions of this Article 14. In so interpreting this Article 14, the Board of Directors may look to laws, rules, regulations and court decisions (including of countries outside of Switzerland) having language substantially similar to this Article 14.
- e) The Board of Directors may in special cases allow exceptions from this limitation on voting rights.

#### **Article 15 Resolutions**

- a) The General Meeting may pass resolutions without regard to the number of shareholders present or shares represented.
- b) The General Meeting shall pass its resolutions and carry out its elections with an absolute majority of the share votes represented, to the extent that neither the law nor the Articles of Association provide otherwise.

- c) Der Vorsitzende bestimmt das Abstimmungsverfahren. Erfolgen die Wahlen nicht elektronisch haben sie mittels Stimmzettel zu erfolgen, wenn mindestens 50 anwesende Aktionäre dies per Handzeichen verlangen. Die Weisungerteilung via Internet oder Telefon kann durch den Vorsitzenden gestattet werden.

#### **Artikel 16 Quorum**

Ein Beschluss der Generalversammlung, der mindestens zwei Drittel der vertretenen Stimmen und die absolute Mehrheit der vertretenen Aktiennennwerte auf sich vereinigt, ist erforderlich für:

1. die in Art. 704 Abs. 1 OR aufgeführten Geschäfte, d.h. für:
  - (a) die Änderung des Gesellschaftszwecks;
  - (b) die Einführung von Stimmrechtsaktien;
  - (c) die Beschränkung der Übertragbarkeit von Namenaktien;
  - (d) eine genehmigte oder bedingte Kapitalerhöhung;
  - (e) die Kapitalerhöhung aus Eigenkapital, gegen Sacheinlage oder zwecks Sachübernahme und die Gewährung von besonderen Vorteilen;
  - (f) die Einschränkung oder Aufhebung des Bezugsrechts;
  - (g) die Verlegung des Sitzes der Gesellschaft;
2. Fusion, Spaltung und Umwandlung der Gesellschaft (zwingende gesetzliche Bestimmungen vorbehalten);
3. die Lockerung und die Aufhebung von Übertragungsbeschränkungen der Namenaktien;

- c) The Chairman of the General Meeting shall determine the voting procedure. Provided that the voting is not done electronically, voting shall be by ballot if more than 50 of the shareholders present so demand by a show of hands. The accord of instructions by using the internet or the telephone can be permitted by the Chairman.

#### **Article 16 Quorums**

A resolution of the General Meeting passed by at least two thirds of the represented share votes and the absolute majority of the represented shares par value is required for:

1. the cases listed in art. 704 para. 1 CO, i.e.:
  - (a) the change of the company purpose;
  - (b) the creation of shares with privileged voting rights;
  - (c) the restriction of the transferability of registered shares;
  - (d) an increase of capital, authorized or subject to a condition;
  - (e) an increase of capital out of equity, against contribution in kind, or for the purpose of acquisition of assets and the granting of special benefits;
  - (f) the limitation or withdrawal of pre-emptive rights;
  - (g) the change of the domicile of the Company;
2. the merger, de-merger or conversion of the Company (subject to mandatory law);
3. the alleviating or withdrawal of restrictions upon the transfer of registered shares;

4. die Umwandlung von Namenaktien in Inhaberaktien und umgekehrt;
5. für die Auflösung der Gesellschaft mit Liquidation;
6. die Abberufung von Mitgliedern des Verwaltungsrates im Sinne von Art. 705 Abs. 1 OR; und
7. die Änderung oder Aufhebung der Art. 8, 14, 15 und 16 der Statuten.

## **B. Der Verwaltungsrat**

### **Artikel 17 Wahl, Konstituierung und Entschädigung**

- a) Der Verwaltungsrat besteht aus wenigstens 3 und höchstens 20 Mitgliedern. Die Amtsdauer des Verwaltungsrats entspricht der gesetzlich zulässigen Maximaldauer längstens aber drei Jahre. Die erste Amtsdauer wird für jedes Mitglied bei der ersten Wahl durch den Verwaltungsrat so festgelegt, dass jedes Jahr eine gleiche Anzahl Verwaltungsräte neu bzw. wiedergewählt werden müssen und spätestens nach drei Jahren sämtliche Mitglieder des Verwaltungsrats sich einer Wiederwahl haben stellen müssen. Der Verwaltungsrat bestimmt die Reihenfolge der Wiederwahl, wobei die erste Amtszeit einzelner Mitglieder des Verwaltungsrats weniger als drei Jahre betragen wird. Diesbezüglich ist unter einem Jahr der Zeitraum zwischen zwei ordentlichen, aufeinanderfolgenden Generalversammlungen zu verstehen. Im Falle einer Zu- oder Abnahme der Anzahl der Mitglieder des Verwaltungsrats, bestimmt der Verwaltungsrat die neue Reihenfolge der Wiederwahlen. Infolgedessen kann die Amtsdauer einzelner Mitglieder des Verwaltungsrats weniger als

4. the conversion of registered shares into bearer shares and vice versa;
5. the dissolution of the Company followed by liquidation;
6. the dismissal of the members of the Board of Directors according to art. 705 para. 1 CO; and
7. the amendment or elimination of the provisions of Article 8, Article 14 and Article 15 of the Articles of Association as well as those contained in this Article 16.

## **B. The Board of Directors**

### **Article 17 Election, Constitution and Indemnification**

- a) The Board of Directors shall consist of 3 to 20 members. The term shall correspond to the maximum term legally allowed but shall not exceed three years. Each year the Board of Directors shall be renewed by rotation, to the extent possible in equal numbers and in such manner that, after a period of three years, all members will have been subject to re-election. The Board of Directors shall establish the order of rotation, whereas the first term of some members may be less than three years. In this regard, one year shall mean the period between two ordinary General Meetings. In the event of increase or a decrease in the number of Directors, the Board of Directors shall establish a new order of rotation. In this context the terms of office of some members may be less than three years. The term of office of a member of the Board of Directors shall, subject to prior resignation or removal, expire upon the day of the next ordinary General Meeting. Newly-appointed members shall complete the term of office of their predecessors.

drei Jahre betragen. Die Amtsdauer läuft mit dem Tag der nächsten ordentlichen Generalversammlung ab, vorbehaltlich vorgängigen Rücktritts oder Abwahl. Wenn vor Ablauf dieser Amtsdauer aus irgendeinem Grunde Verwaltungsräte ersetzt werden, läuft die Amtsdauer der neu hinzu gewählten Mitglieder mit der ordentlichen Amtsdauer ihrer Vorgänger ab.

- b) Der Verwaltungsrat konstituiert sich selber. Der Verwaltungsrat wählt seinen Präsidenten sowie einen Vizepräsidenten. Er bezeichnet einen Sekretär; dieser braucht nicht dem Verwaltungsrat anzugehören. Der Präsident hat bei Stimmgleichheit keinen Stichentscheid.
- c) Die Mitglieder des Verwaltungsrats erhalten für ihre Tätigkeit eine Entschädigung, deren Höhe vom Verwaltungsrat festgelegt wird. Die Mitglieder des Verwaltungsrats sind ebenfalls berechtigt, an Mitarbeiterbeteiligungsprogrammen der Gesellschaft teilzunehmen.
- d) Soweit es das Gesetz zulässt, werden die Mitglieder des Verwaltungsrates sowie der Geschäftsleitung aus dem Gesellschaftsvermögen schadlos gehalten für Forderungen, Kosten, Verluste, Schäden, Bussen, und sonstige Auslagen, welche ihnen im Zusammenhang mit ihrer Tätigkeit für die Gesellschaft entstehen bzw. gegen diese erhoben werden, es sei denn, ein rechtskräftiger Entscheid eines Gerichts oder einer anderen Behörde stelle fest, dass die betreffende Person die obgenannten Auslagen und Verpflichtungen aufgrund einer vorsätzlichen oder grobfahrlässigen Pflichtverletzung verursacht hat.

Unabhängig von vorstehender Bestimmung schießt die Gesellschaft den Mitgliedern des Verwaltungsrats sowie der Geschäftsleitung die im Zusammenhang mit oben erwähnten Angelegenheiten entstehenden Gerichts- und Anwaltskosten vor.

- b) The Board of Directors shall constitute itself. It appoints its Chairman, a Vice-Chairman and a Secretary who does not need to be a member of the Board of Directors. The Chairman shall have no casting vote.
- c) Members of the Board of Directors shall receive compensation for their work in an amount to be determined by the Board. They may also participate in the Company's employee benefit plans.
- d) The Company shall indemnify and hold harmless, to the fullest extent permitted by law, each of the members of the Board of Directors and officers out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty on behalf of the Company; provided that this indemnity shall not extend to any matter in which any of said persons is found, in a final judgement or decree not subject to appeal, to have committed fraud or dishonesty.

Without limiting the foregoing paragraph, the Company shall advance court costs and attorney's fees to the members of the Board of Directors and officers, except in cases where the Company itself is plaintiff. The Company may however recover such

Ausgenommen sind jene Fälle, in denen die Gesellschaft selbst gegen die betreffenden Personen vorgeht. Die Gesellschaft kann die aufgewendeten Auslagen zurückfordern, wenn ein Gericht oder eine andere zuständige Behörde rechtskräftig feststellt, dass die betreffende Person gegenüber der Gesellschaft eine Pflichtverletzung begangen hat.

#### **Artikel 18 Zuständigkeit und Delegation**

- a) Der Verwaltungsrat hat die Oberleitung der Gesellschaft sowie die Aufsicht über die Geschäftsleitung. Er vertritt die Gesellschaft gegenüber Dritten und kann in allen Angelegenheiten Beschluss fassen, welche nicht gemäss Gesetz, Statuten oder Organisationsreglement einem anderen Organ zugewiesen sind.
- b) Der Verwaltungsrat kann aus seiner Mitte Ausschüssen bestellen oder einzelne Mitglieder bestimmen, welche mit der Vorbereitung und/oder Ausführung seiner Beschlüsse oder der Überwachung bestimmter Geschäfte betraut sind. Der Verwaltungsrat erlässt hierzu die notwendigen organisatorischen Weisungen. Mit Ausnahme der unübertragbaren Befugnisse kann der Verwaltungsrat die Geschäftsführung ganz oder teilweise an einzelne Mitglieder, an einen Ausschuss oder an Dritte, welche keine Aktionäre zu sein brauchen, übertragen. Ebenso kann der Verwaltungsrat vorgenannten Personen die Befugnis erteilen, im Namen der Gesellschaft zu zeichnen. Der Verwaltungsrat erlässt hierzu die notwendigen Organisationsreglemente und erstellt die erforderlichen Vertragsdokumente.

#### **Artikel 19 Einzelne Befugnisse**

Der Verwaltungsrat hat folgende unübertragbare und unentziehbare Befugnisse:

1. die Oberleitung der Gesellschaft und die Erteilung der nötigen Weisungen;

advanced cost if a court or another competent authority holds that the member of the Board of Directors or the officer in question has breached its duties to the Company.

#### **Article 18 Ultimate Direction, Delegation**

- a) The Board of Directors is entrusted with the ultimate direction of the Company as well as the supervision of the management. It represents the Company towards third parties and attends to all matters which are not delegated to or reserved for another corporate body of the Company by law, the Articles of Association or the regulations.
- b) The Board of Directors may delegate preparation and/or implementation of its decisions and supervision of the business to committees or to individual members of the Board of Directors. The organizational regulations will be defined by the Board of Directors. While reserving its non-transferable powers, the Board of Directors may further delegate the management of the business or parts thereof and representation of the Company to one or more persons, members of the Board of Directors or others who need not be shareholders. The Board of Directors shall record all such arrangements in a set of regulations for the Company and set up the necessary contractual framework.

#### **Article 19 Duties**

The Board of Directors has the following non-transferable and inalienable duties:

1. to ultimately manage the Company and issue the necessary directives;

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| 2.  | die Festlegung der Organisation;  | 2.  | to determine the organization;   |
| 3.  | die Ausgestaltung des Rechnungswesens, der Finanzkontrolle sowie der Finanzplanung, sofern diese für die Führung der Gesellschaft notwendig ist;                                    | 3.  | to organize the accounting, the financial control, as well as the financial planning;  |
| 4.  | die Ernennung und Abberufung der mit der Geschäftsführung und der Vertretung betrauten Personen, sowie die Erteilung der Zeichnungsberechtigungen;                                  | 4.  | to appoint and remove the persons entrusted with the management and representation of the Company and to grant signatory power;  |
| 5.  | die Oberaufsicht über die mit der Geschäftsführung und der Vertretung betrauten Personen, namentlich im Hinblick auf die Befolgung der Gesetze, Statuten, Reglemente und Weisungen; | 5.  | to ultimately supervise the persons entrusted with the management, in particular with respect to compliance with the law and with the Articles of Association, regulations and directives; |
| 6.  | die Erstellung des Geschäftsberichtes sowie die Vorbereitung der Generalversammlung und die Ausführung ihrer Beschlüsse;  | 6.  | to prepare the business report, as well as the General Meeting and to implement the latter's resolutions;  |
| 7.  | die Benachrichtigung des Richters im Falle der Überschuldung;   | 7.  | to inform the judge in the event of overindebtedness;  |
| 8.  | die Beschlussfassung über die nachträgliche Liberierung von nicht vollständig liberierten Aktien;   | 8.  | to pass resolutions regarding the subsequent payment of capital with respect to non-fully paid-in shares;  |
| 9.  | die Beschlussfassung über die Feststellung von Kapitalerhöhungen und die entsprechenden Statutenänderungen;   | 9.  | to pass resolutions confirming increases in share capital and regarding the amendments to the Articles of Association entailed thereby;  |
| 10. | Überwachung der Fachkenntnisse der Spezialrevisionsstelle in den Fällen, in denen das Gesetz den Einsatz einer solchen vorsieht.  | 10. | to examine the professional qualifications of the specially qualified Auditors in the cases in which the law foresees the use of such Auditors.  |

## C. Revisionsstelle und Spezialrevisionsstelle

### Artikel 20 Amtsdauer, Befugnisse und Pflichten

- a) Die Revisionsstelle wird von der Generalversammlung gewählt. Rechte und Pflichten der Revisionsstelle bestimmen sich nach den gesetzlichen Vorschriften.
- b) Die Generalversammlung kann eine Spezialrevisionsstelle ernennen, welche die vom Gesetz bei Kapitalerhöhungen und Kapitalherabsetzungen verlangten Prüfungsbestätigungen abgibt.
- c) Die Amtsdauer der Revisionsstelle und (falls eingesetzt) der Spezialrevisionsstelle beträgt ein Jahr. Die Amtsdauer beginnt mit dem Tag der Wahl und endet mit der ersten darauffolgenden ordentlichen Generalversammlung.

## IV. Liquidation

### Artikel 21 Auflösung und Liquidation

- a) Die Generalversammlung kann jederzeit in Übereinstimmung mit den gesetzlichen und statutarischen Bestimmungen die Auflösung und die Liquidation der Gesellschaft beschliessen.
- b) Die Liquidation wird durch den Verwaltungsrat besorgt, sofern sie nicht durch einen Beschluss der Generalversammlung anderen Personen übertragen wird.

## C. Auditors and Special Auditor

### Article 20 Term, Powers and Duties

- a) The Auditors shall be elected by the General Meeting and shall have the powers and duties vested in them by law.
- b) The General Meeting may appoint a special auditing firm entrusted with the examinations required by applicable law in connection with share capital increases or share capital reductions.
- c) The term of office of the Auditors and (if appointed) the special auditors shall be one year. The term of office shall commence on the day of election, and shall terminate on the first annual ordinary General Meeting following their election.

## IV. Liquidation

### Article 21 Dissolution and Liquidation

- a) The General Meeting may at any time resolve the dissolution and liquidation of the Company in accordance with the provisions of the law and of the Articles of Association.
- b) The liquidation shall be carried out by the Board of Directors to the extent that the General Meeting has not entrusted the same to other persons.

- c) Die Liquidation ist gemäss Art. 742 ff. OR durchzuführen. Dabei können die Liquidatoren über das Vermögen der Gesellschaft (einschliesslich Immobilien) durch privaten Rechtsakt verfügen.
- d) Das Vermögen der aufgelösten Gesellschaft wird nach Tilgung ihrer Schulden unter die Aktionäre nach Massgabe der einbezahlten Beträge verteilt.

#### **V. Mitteilungen und Sprache der Statuten**

##### **Artikel 22 Mitteilungen und Bekanntmachungen**

- a) Das Schweizerische Handelsamtsblatt ist das offizielle Publikationsmittel der Gesellschaft.
- b) Mitteilungen der Gesellschaft an die Aktionäre sowie andere Bekanntmachungen erfolgen durch Publikation im "Schweizerisches Handelsamtsblatt".

##### **Artikel 23 Sprache der Statuten**

Im Falle eines Widerspruchs zwischen der deutschen und jeder anderen Fassung dieser Statuten ist die deutsche Fassung massgeblich.

- c) The liquidation of the Company shall take place in accordance with art. 742 et seq. of the Swiss Code of Obligations. The liquidators are authorized to dispose of the assets (including real estate) by way of private contract.
- d) After all debts have been satisfied, the net proceeds shall be distributed among the shareholders in proportion to the amounts paid-in.

#### **V. Notices and Language of the Articles of Association**

##### **Article 22 Communications and Announcements**

- a) The official means of publication of the Company shall be the "Schweizerisches Handelsamtsblatt".
- b) Shareholder invitations and communications of the Company shall be published in the "Schweizerisches Handelsamtsblatt".

##### **Article 23 Language of the Articles of Association**

In the event of deviations between the German version of these Articles of Association and any version in another language, the German authentic text prevails.

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Bermuda, 14. Juli 2008

Bermuda, 14 July 2008

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Robert F. Cusumano

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Chris Kearns

**Organizational Regulations**  
**of**  
**ACE Limited**  
**with registered office in Zurich, Switzerland**

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## 1. **BASICS AND SCOPE OF APPLICATION**

### 1.1 **Basics**

The board of directors of ACE Limited, Switzerland, (“ **Company** ”) issues the following organizational regulations (“ **Organizational Regulations** ”) based on art. 716b CO and art. 19 of the articles of association of ACE Limited (“ **Articles of Association** ”).

### 1.2 **Scope of Application**

The Organizational Regulations define the organization and responsibilities of the executive bodies, i.e. the board of directors and its members (“ **Board Members** ”), its committees and its chairman, the delegate of the board of directors and the chief executive officer as well as the executive management of the Company and its subsidiaries (together with the Company the “ **Group** ”). They implement and supplement applicable law and the Articles of Association by establishing binding rules regarding the organization of the Group and its overall management.

### 1.3 **Executive Bodies of the Company**

The executive bodies of the Company are:

- (a) the board of directors of the Company (“ **Board of Directors** ”);
- (b) the chairman of the Board of Directors (“ **Chairman** ”);
- (c) the committees of the Board of Directors (“ **Committees** ”);
- (d) the delegate of the Board of Directors (“ **Delegate** ”) and the chief executive officer of the Company (“ **Chief Executive Officer** ”); and
- (e) the executive management (“ **Executive Management** ”).

## 2. **BOARD OF DIRECTORS**

### 2.1 **Statutory Powers and Responsibilities**

#### 2.1.1

The Board of Directors is entrusted with the ultimate management of the Company, the overall supervision of the Group as well as with the supervision and control of management.

The Board of Directors is entitled to pass resolutions on all matters which are not delegated to, or reserved for, the shareholders meeting or another body of the Company by law, the Articles of Association or the Organizational Regulations.

- 2.1.2** The Board of Directors has the following (non-transferable) duties and competences with regard to the Company and the Group:
- (a) to ultimately manage and direct the Company and the Group and to issue the necessary directives;
  - (b) to determine the overall organization and strategy;
  - (c) to organize the finances, in particular determine the applicable accounting principles, the structuring of the accounting system, of the financial controls and of the internal audit as well as the financial planning;
  - (d) appointment and removal of a Delegate and his/her deputy;
  - (e) appointment and removal of the members of the Executive Management and of the internal audit, and to grant signatory power;
  - (f) to verify the professional qualifications of the specially qualified independent auditors of the Company;
  - (g) to ultimately supervise the persons entrusted with the management, in particular with respect to compliance with the law, the Articles of Association, the Organizational Regulations and other regulations and directives;
  - (h) preparation of the business report (including the financial statements) as well as the preparation of the shareholders meetings, and the implementing of its resolutions;
  - (i) to pass resolutions regarding increases in share capital, as far as they are within the competence of the Board of Directors (art. 651 para. 4 CO) as well as the adoption of capital increases and the amendments to the Articles of Association entailed therewith;
  - (j) propose reorganization measures to the shareholders meeting if half the share capital is no longer covered by the Company's net assets;
  - (k) notification of the judge (filing for bankruptcy) in the case of over-indebtedness;
  - (l) to decide on agreements relating to mergers, spin-offs, conversions and/or transfer of assets ( *Vermögensübertragung* ) pursuant to the Swiss Merger Act ( *Fusionsgesetz* ).

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## 2.2 Further Powers and Responsibilities

The Board of Directors has the following further powers and responsibilities with regard to the Company and the Group:

### 2.2.1 Regarding the Board of Directors:

- (a) appointment and removal of the Chairman, the Lead Director, the Delegate and the Secretary, who need not to be a member of the Board of Directors;
- (b) appointment and removal of the members of the Committees;
- (c) determine the compensation of the Board Members, the Chairman, the Delegate and the Executive Management;
- (d) consider the reports and recommendations submitted to it by the Committees and resolve on the proposals of the Committees;
- (e) propose upon recommendation by the nominating and governance committee (“**Nominating and Governance Committee**”) to the shareholders meeting candidates for election or re-election to the Board of Directors; and
- (f) yearly review of the performance of the Board of Directors, the Committees and the Board Members.

### 2.2.2 Regarding operational matters:

- (a) have overall responsibility for corporate governance matters and the authority to delegate responsibilities to its Committees and the Executive Management, as it deems appropriate;
- (b) appoint and remove the members of the Executive Management;
- (c) determine the strategy of the Group and review of the strategy of the Executive Management;
- (d) determine and amend the structure of the Group, designate the business segments;
- (e) approval of the medium and short term business plan of the Group, on the basis of the strategic goals;
- (f) determine the risk tolerance level and monitor the risk development;

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- (g) resolve on material acquisitions, dispositions, investments, strategic and financing transactions;
  - (h) be informed of provisions and write-offs and depreciations outside the ordinary course of business;
  - (i) approve capital market transactions on the account of the Group, including buy-backs of Company shares;
  - (j) delegate management powers and responsibilities to Committees, Board Members and the Executive Management;
  - (k) approve an upper limit for aggregate debt issuances, credit facilities or similar instruments (incl. repo facilities and letter of credit facilities);
  - (l) approve year-end reports of the Company and the Group, subject to the authority of the shareholders meeting;
  - (m) review and consider periodic core business status reports as well as reports on major business transactions and events;
  - (n) review the Group's adherence to legal, regulatory and compliance standards and the status of significant legal, regulatory or compliance matters, in conjunction with the audit committee (" **Audit Committee** ");
  - (o) assess, on an annual basis, the performance of the Chief Executive Officer and the members of the Executive Management;  
and
  - (p) approve the compensation principles of the Group upon recommendation of the compensation committee (" **Compensation Committee** ").

### **2.3 Delegation of Management to Chief Executive Officer and Executive Management**

The Board of Directors delegates the management of the Company and the Group to the Chief Executive Officer and the other members of the Executive Management as provided for by these Organizational Regulations.

Board Members will have complete and open access to the Chief Executive Officer, chief financial officer, general counsel, chief compliance officer and the head of internal audit.

### **2.4 Constitution**

The Board of Directors shall elect a Chairman as well as a Lead Director (who also acts as vice-chairman) from amongst its members. The Chairman may also be appointed as the Chief Executive Officer, i.e. the Delegate.

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The Board of Directors shall appoint a Secretary (a person keeping the minutes and assisting in the preparation of board meetings) who need not to be a member of the Board of Directors.

**2.5 Meetings, Convocation of Meetings, Agenda**

**2.5.1** The Board of Directors shall be convened whenever required by business, a minimum of four times a year.

**2.5.2** Meetings shall be convened by the Chairman or, in his/her absence, by another Board Member. Each Board Member shall be entitled to request an immediate convening of a meeting and shall, in this event, set forth the items to be discussed.

**2.5.3** Meetings shall be announced at least 10 (ten) calendar days in advance by letter, facsimile or e-mail. Items on the agenda shall be set forth in this correspondence.

In case of urgency shorter notice periods are permitted. If all Board Members are present and agree, deviations from these formal requirements are permitted; in particular, decisions can be taken that are not mentioned on the agenda.

Furthermore, these formal requirements do not have to be observed, if a meeting is only convened in order to record the implementation of a capital increase, to pass resolutions regarding the amendments of the Articles of Association entailed therewith and to adopt the report on the capital increase.

**2.5.4** The Chairman, or in his/her absence, a vice-chairman or, in their absence, another Board Member, shall chair the meetings.

**2.5.5** At board meetings, each Board Member shall be entitled to submit proposals regarding the items on the agenda. This right may also be executed by way of correspondence.

**2.6 Quorum, Passing of Resolutions and Minutes**

**2.6.1** A board quorum shall be constituted when a majority of the Board Members are present in person or participate using some alternative means of instant communication.

A quorum of Board Members shall not be required in order to record the implementation of a capital increase, to pass resolutions regarding the amendments of the Articles of Association entailed therewith and to adopt the report on the capital increase.

**2.6.2** The Board of Directors shall pass its resolutions with the majority of the votes cast. In case of a tie of votes, the Chairman shall not have the casting vote. Board Members may not be represented.

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- 2.6.3** Board resolutions may also be passed by means of written resolutions (circular resolutions), in writing, by facsimile or by a signed copy sent by e-mail, provided that no Board Member requests, either by phone, facsimile or similar means, deliberation in a meeting, within 5 (five) calendar days after hearing of the proposed resolution. Board resolutions by means of written resolutions require the affirmative vote of a majority of all of the Board Members.
- 2.6.4** Board meetings may be held and resolutions may be passed by means of a telephone or video conference or similar means of instant communication provided that (i) all Board Members can be reached by such means and (ii) no Board Member, when contacted for such conference, requests deliberation in a meeting.
- 2.6.5** All resolutions shall be recorded. The minutes shall be signed by the Chairman and the person keeping the minutes and must be approved by the Board of Directors.

**2.7 Right to Request Information and Reporting**

- 2.7.1** Each Board Member is entitled to request information from the Chairman on all Company and Group matters.
- 2.7.2** At every meeting the Delegate shall inform the Board of Directors on the current course of business and on important business developments of the Company and the Group. The Board of Directors shall be informed promptly of any extraordinary business development. If necessary, members of the Executive Management may be invited to attend board meetings. Board Members shall be informed of extraordinary occurrences immediately by way of circulating letter, or, if necessary, also by telephone, facsimile or e-mail.
- 2.7.3** Each Board Member is also entitled to request information or access to business documents in the intervals between board meetings. Such requests shall be addressed in writing to the Chairman of the Board of Directors.
- 2.7.4** To the extent necessary to fulfill his/her duties, each Board Member may request from the Chairman authorization to review books and records of the Company. If the Chairman rejects the Board Member's request for information, for a hearing or for an inspection, then the Board of Directors shall decide on such request.

**2.8 Composition and Independence**

The Board of Directors shall submit nominations of new Board Members for election at the shareholders meeting that ensure an adequate size and well-balanced composition of the Board of Directors and further ensure that a majority of the Board Members are independent within applicable legal and stock exchange requirements.

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### **3. THE CHAIRMAN**

#### **3.1 Powers and Responsibilities**

**3.1.1** The Chairman shall convene board meetings and take the chair. Together with the person keeping the minutes, he/she shall sign the minutes regarding the deliberations and resolutions of the Board of Directors.

The Chairman shall preside over the shareholders meeting. Together with the person keeping the minutes, he/she shall sign the minutes of the shareholders meeting.

The Chairman has the right to call in third parties as advisors in meetings of the Board of Directors.

**3.1.2** In addition, the Chairman shall have the responsibilities delegated to him/her by law, the Articles of Association and the Organizational Regulations.

#### **3.2 Substitution**

If the Chairman of the Board of Directors is prevented from performing his/her duties, they shall be performed by the Lead Director.

### **4. LEAD DIRECTOR**

The Board of Directors shall appoint a Lead Director, who shall have the following responsibilities, together with such others as the Board of Directors might from time to time specify:

- (a) to participate with the Chairman and the Delegate in establishing the agenda for board meetings, and to circulate to the other Board Members the proposed agenda so as to receive and incorporate their suggestions as to additional agenda items;
- (b) to preside at executive sessions of the non-management and the independent Board Members;
- (c) to work with the Nominating and Governance Committee in the Board of Directors' performance evaluation process;
- (d) to facilitate communication between Board Members and the Chairman, the Delegate and the Chief Executive Officer, respectively, without in any way becoming the exclusive means of such communication;

- (e) to help assure that all Board Members receive on a timely basis the reports, background materials and resources necessary or desirable to assist them in carrying out their responsibilities;
- (f) to monitor the Company's mechanism for receiving and responding to communications to the Board of Directors from shareholders;
- (g) to respond to shareholder inquiries regarding matters other than audit-related matters; and
- (h) to monitor the Board of Directors' activities to ensure sound corporate governance.

## **5. COMMITTEES, IN GENERAL**

### **5.1 Purpose, Powers and Responsibilities in General**

**5.1.1** The Board of Directors may allocate the preparation and implementation of its resolutions and the supervision of the business of the Company and the Group to Committees. The Committees shall timely inform the Board of Directors on its findings and actions.

**5.1.2** The Committees have the right, at any time and in their discretion, to make or request inquiries in all matters falling into their responsibilities. By doing so, they shall take into account the industry practice and general principles of best practice. They may, if required, hire independent legal advisors, auditors or other experts, in particular to establish a comparison with general principles of best practice. The expenses shall be borne by the Company.

### **5.2 Composition and Eligibility**

Each Committee is constituted by a chairman and at least one further member, each appointed by the Board of Directors among its members.

### **5.3 Term**

The term of a membership in a Committee is one year upon appointment.

### **5.4 Meetings, Convocation of Meetings, Agenda**

- (a) Meetings of the Committees shall be convened whenever required by business, usually on the day before an ordinary board meeting.
- (b) Meetings shall be convened by the chairman of the Committee. Each member of a Committee shall be entitled to request an immediate convening of a Committee meeting and must, in this event, set forth the items to be discussed.

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- (c) The chairmen of the Committees may invite other participants than the members of the Committees and the participants provided for in the Organizational Regulations.
  - (d) The chairmen of the Committees prepare the meetings and invite the participants with advisory functions. The meetings are chaired by the chairman of the Committee.
  - (e) The chairman of the Committee may exclude members of the Executive Management from meetings or from parts of a meeting.

## **5.5 Resolutions and Proposals to the Board of Directors**

- (a) A Committee quorum shall be constituted when a majority of the members of the Committee are present in person or participate using some alternative means of instant communication.
- (b) The Committees shall pass their resolutions and adopt proposals to the Board of Directors with the majority of the votes cast. In case of a tie of votes, the chairman shall not have the casting vote.
- (c) Committee resolutions and proposals to the Board of Directors may also be passed by means of written resolutions (circular resolutions), in writing, by facsimile or by a signed copy sent by e-mail, provided that no member requests, either by phone, facsimile or similar means, deliberation in a meeting, within 5 (five) calendar days after hearing of the proposed resolution or proposal. Committee resolutions and proposals by means of written resolutions require the affirmative vote of a majority of all of the Committee members.
- (d) All resolutions shall be recorded. The minutes shall be signed by the chairman of the Committee and the person keeping the minutes and must be approved by the next meeting of the Committee.

## **6. AUDIT COMMITTEE**

### **6.1 Meetings**

**6.1.1** Meetings of the Audit Committee are convened in accordance with Clause 5.4. Additionally, the external auditors and the head of internal audit may request a meeting.

**6.1.2** Permanent participants with advisory functions are the Chairman, the Delegate, the Chief Executive Officer, the chief financial officer and the head of internal audit. Representatives of the external auditors may be invited if required.

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**6.1.3** At each meeting there shall be a part without participation of any member of the Executive Management for discussions between the head of internal audit and representatives of the external auditors.

**6.2 Purpose**

**6.2.1** The Audit Committee is to assist the Board of Directors in its oversight of the integrity of the Company's financial statements and financial reporting process, the Company's compliance with legal and regulatory requirements, the system of internal controls, the audit process, the performance of the Company's internal auditors and the performance, qualification and independence of the Company's independent auditors.

**6.2.2** The Audit Committee shall prepare the report required by the rules of the U.S. Securities and Exchange Commission to be included in the Company's annual proxy statement.

**6.2.3** The Company's independent auditors shall have ultimate accountability to the Audit Committee and the Board of Directors.

**6.3 Authority**

**6.3.1** The Audit Committee shall have the sole authority to approve audit engagement fees and terms as well as any significant non-audit relationship with the Company's independent auditors.

**6.3.2** The Company's head of internal audit and vice president-enterprise risk shall have reporting authority to the Audit Committee.

**6.3.3** The Audit Committee shall have the authority to retain special legal, accounting or other consultants to advise and assist the committee.

**6.3.4** The Audit Committee may request any other Board Member, officer or employee of the Company or the Company's outside counsel, independent auditor or outside actuaries to attend a meeting of the committee or to meet with any members of, or consultants to, the Audit Committee.

**6.3.5** The Audit Committee may form and delegate authority to subcommittees when appropriate.

**6.3.6** The Audit Committee shall receive appropriate funding, as determined by the Audit Committee, from the Company for payment of (i) compensation to the independent auditor employed by the Company for the purpose of rendering or issuing an audit report or performing other audit, review or attest services for the Company, (ii) compensation to any special legal, accounting or other consultants employed by the committee and (iii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

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**6.4 Composition**

- 6.4.1** The Audit Committee shall consist of at least three Board Members, including a chairman, each selected from and by the Board of Directors, upon the recommendation of the Nominating and Governance Committee. Any Audit Committee member may be removed by the Board of Directors upon the recommendation of the Nominating and Governance Committee. Members of the Audit Committee shall disclose to the Board of Directors whether or not they are members of the audit committee of any other public companies. If a member of the Audit Committee simultaneously serves on the audit committees of more than three public companies, the Board of Directors shall determine if such simultaneous service would impair the ability of such prospective member to effectively serve on the Audit Committee.
- 6.4.2** Board Members' fees (including equity-based awards), including fees for serving on committees of the Board of Directors, shall be the only compensation members of the Audit Committee may receive directly or indirectly from or on behalf of the Company.
- 6.4.3** Each member of the Audit Committee shall have no relationship to the Company that may interfere with the exercise of their independence from management and the Company and shall otherwise satisfy the applicable membership requirements under the rules of the New York Stock Exchange and the U.S. Securities and Exchange Commission, as such requirements are interpreted by the Board of Directors in its business judgment.
- 6.4.4** Each member of the Audit Committee shall have such level of experience and expertise in accounting, financial and related matters, as determined by the Board of Directors in its business judgment, as shall enable him or her to effectively fulfill his or her duties as a member of the Audit Committee and to comply with applicable U.S. Securities and Exchange Commission and New York Stock Exchange rules, in each case as such rules are interpreted by the Board of Directors in its business judgment. At least one member of the Audit Committee shall have the attributes of an "audit committee financial expert" (as defined by the U.S. Securities and Exchange Commission) as determined by the Board of Directors.
- 6.4.5** The Company shall provide appropriate orientation for new members of the Audit Committee, and ongoing continuing education programs for existing members, covering, among other things, the Company's business, organizational and management structure, results of operations and financial condition, including critical accounting policies, budgets and forecasts and corporate governance. Members of the Audit Committee are encouraged, but not required, to periodically pursue or obtain, at the Company's expense, appropriate programs, sessions or materials as to the responsibilities of members of audit committees of publicly-traded companies.

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## **6.5 Duties and Responsibilities**

### **6.5.1 General**

- (a) The Audit Committee shall meet at such intervals as it determines, but not less frequently than quarterly.
- (b) If necessary, the Audit Committee shall institute special investigations and, if appropriate, hire special counsel or experts to assist.
- (c) The Audit Committee shall meet, either alone or together with one or more other independent Board Members that are not members of the Audit Committee, regularly with the Chief Executive Officer, the chief financial officer, the general counsel, the head of internal audit and the independent auditors in separate executive sessions.
- (d) The Audit Committee shall perform other oversight functions as requested by the full Board of Directors.
- (e) The Audit Committee shall review policies with respect to risk assessment and risk management, including the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.

### **6.5.2 Internal Controls and Internal Audit**

- (a) The Audit Committee shall review the adequacy of the Company's internal control structure.
- (b) The Audit Committee shall review the proposed activities, organizational structure and qualifications of the internal audit function.
- (c) The Audit Committee shall receive and review a report from the head of internal audit on the results of internal audits and follow-up on completed internal audits.
- (d) The Audit Committee shall review any proposed public disclosures regarding an assessment or evaluation of the Company's internal controls and procedures for financial reporting every quarter.

### **6.5.3 Independent Audit and Independent Auditors**

- (a) The Audit Committee shall propose to the full Board of Directors proposals for the shareholders meeting regarding the appointment and removal of the Company's independent auditors.

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- (b) The Audit Committee shall review and approve the independent auditors' proposed audit scope, approach, staffing and fees and verify the professional qualifications of the specially qualified independent auditors of the Company.
  - (c) The Audit Committee shall pre approve all audit and, unless applicable law permits otherwise, permitted non-audit services to be performed by the independent auditors subject to such procedures as may be established by the Audit Committee.
  - (d) At least annually, the Audit Committee shall obtain and review a report by the Company's independent auditors describing the independent auditors' internal quality-control procedures, any material issues raised by the most recent internal quality-control or peer review of the independent auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the independent auditors, and any steps taken to deal with any such issues.
  - (e) The Audit Committee shall receive on a periodic basis, not less frequently than annually, from the independent auditors a formal written statement delineating all relationships between the independent auditors and the Company, including each non-audit service provided to the Company.
  - (f) The Audit Committee shall actively engage in a dialogue with the independent auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditors.
  - (g) The Audit Committee shall evaluate together with the Board of Directors the qualifications, performance and independence of the independent auditors, including the lead engagement partner, and, if required by applicable law or regulation, or otherwise so determined by the Audit Committee, replace the independent auditors or lead engagement partner or the partner responsible for reviewing the audit.
  - (h) The Audit Committee shall take appropriate action, including recommending that the Board of Directors takes appropriate action, as necessary, in response to the independent auditors' report to satisfy itself of the independent auditors' independence.
  - (i) The Audit Committee shall discuss with the independent auditors the matters required to be discussed by statement on auditing standards no. 61 relating to the conduct of the audit.
  - (j) The Audit Committee shall receive and review with management any management letter provided by the independent auditors and the Company's response to that letter; the Audit Committee shall review with the independent auditors any problems or difficulties the auditors may have encountered and any disagreements with management.

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- (k) The Audit Committee shall review and approve hiring policies for employees or former employees of the independent auditors.

**6.5.4** Loss Reserves

The Audit Committee shall receive and review periodically, but not less than annually, a report of the Company's chief actuary on the Company's loss and loss expense reserves, including any reports of outside actuaries.

**6.5.5** Financial Statement Review

- (a) The Audit Committee shall review and discuss with management and the independent auditors, the Company's annual audited financial statements and management's discussion and analysis, and recommend to the Board of Directors whether the audited financial statements should be included in the Company's annual report on form 10-K.
- (b) The Audit Committee shall review and discuss with management and the independent auditors, the Company's quarterly financial statements, management's discussion and analysis and the results of the independent auditors' review of the quarterly financial statements.
- (c) The Audit Committee shall discuss with management the Company's earnings press releases, including the use of "pro forma" or "adjusted" non-GAAP information, as well as financial information and earnings guidance provided to analysts and rating agencies.
- (d) The Audit Committee shall discuss with management and the independent auditors significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles (which shall be communicated to the Audit Committee by the Company's chief financial officer as soon as reasonably practicable), the selection and disclosure of critical accounting estimates, and the effect of alternative assumptions, estimates or accounting principles on the Company's financial statements.
- (e) The Audit Committee shall discuss with management and the independent auditors the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.

**6.5.6** Compliance Matters

- (a) The Audit Committee shall review the Company's policies and procedures regarding compliance with the company's code of conduct.

- (b) The Audit Committee shall obtain reports from management regarding compliance with the Company's code of conduct and any known or reported conflicts of interest.
- (c) The Audit Committee shall review with the general counsel legal and regulatory matters.
- (d) The Audit Committee shall review and approve procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters and for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

**6.5.7** Other

- (a) The Audit Committee shall review and reassess the adequacy of this section 6 and its charter annually and recommend any proposed changes to the Board of Directors for approval.
- (b) The Audit Committee shall annually review its own performance.
- (c) The Audit Committee shall have the right to excuse any Audit Committee member from a meeting or portion thereof to permit the remaining members of the Audit Committee to discuss or act on any matter for which, in the Audit Committee's opinion, the excused member's participation is not appropriate, and such excused member's absence in this circumstance shall not be deemed an absence for the purposes of determining a quorum.
- (d) The Audit Committee shall have such other duties, responsibilities and authorities as the Board of Directors may from time to time delegate.

**6.6 Reporting**

**6.6.1** The Audit Committee shall keep a record of its proceedings.

**6.6.2** The Audit Committee shall report to the Board of Directors.

**7. COMPENSATION COMMITTEE**

**7.1 Meetings**

**7.1.1** Meetings of the Compensation Committee are convened in accordance with Clause 5.4.

**7.1.2** Permanent participants with advisory functions are the Delegate and the Chief Executive Officer. However, they may not participate if their compensation is being determined.

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**7.2 Purpose**

**7.2.1** The Compensation Committee shall discharge the Board of Director's responsibilities relating to compensation of the Company's employees and of the members of the Executive Management.

**7.2.2** The Compensation Committee shall prepare the report required by the rules of the U.S. Securities and Exchange Commission to be included in the Company's annual proxy statement.

**7.3 Authority**

**7.3.1** The Compensation Committee shall have the authority to retain and terminate any compensation consultant to be used to assist in the evaluation of the Chief Executive Officer and the Chairman, if applicable, or senior executive compensation and shall have the authority to approve the consultant's fees and other retention terms.

**7.3.2** The Compensation Committee also shall have the authority to retain special legal, accounting or other consultants to advise and assist the Compensation Committee.

**7.3.3** The Compensation Committee may request any other Board Member, officer or employee of the Company or the Company's outside counsel to attend a meeting of the Compensation Committee or to meet with any members of, or consultants to, the Compensation Committee.

**7.3.4** The Compensation Committee may form and delegate authority to subcommittees and management when appropriate and legal.

**7.4 Composition**

**7.4.1** The Compensation Committee shall consist of at least three Board Members, including a chairman, each selected from and by the Board of Directors upon the recommendation of the Nominating and Governance Committee. Any Compensation Committee member may be removed upon the recommendation of the Nominating and Governance Committee.

**7.4.2** Each member of the Compensation Committee shall satisfy the independence requirements of the New York Stock Exchange, as such requirements are interpreted by the Board of Directors in its business judgment, and, if deemed appropriate from time to time, meet the definition of "non-employee director" under Rule 16b-3 under the Securities Exchange Act of 1934, and "outside director" for purposes of Section 162(m) of the Internal Revenue Code of 1986.

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**7.5 Duties and Responsibilities**

- 7.5.1** The Compensation Committee shall establish and oversee the Company's executive compensation policies, including issues relating to pay and performance, targeted pay positioning (median, percentile etc.), comparison companies, pay mix, and stock ownership. The Company's compensation policies may vary by location or by line of business.
- 7.5.2** The Compensation Committee shall establish a formal evaluation process for and determine the compensation for the Chief Executive Officer. As part of such process, the Compensation Committee shall review and approve corporate goals and objectives relevant to the Chief Executive Officer's compensation and evaluate the Chief Executive Officer's performance in light of those goals and objectives. The Compensation Committee shall set the Chief Executive Officer's compensation level based on this evaluation, either as a Compensation Committee or together with the other independent Board Members. The Compensation Committee shall also set the Chairman's and the Delegate's compensation, either as a Compensation Committee or together with the other independent Board Members. Nothing herein precludes general discussions of the compensation of the Chief Executive Officer or the Chairman with the full Board of Directors.
- 7.5.3** In determining the long-term incentive component of the Chief Executive Officer's compensation, the Compensation Committee shall consider the Company's performance and relative shareholder return, the value of similar incentive awards to chief executive officers at comparable companies, and the awards given to the Company's Chief Executive Officer in past years.
- 7.5.4** The Compensation Committee shall review the Chief Executive Officer's recommendations regarding the compensation of the Company's other senior officers and determine appropriate compensation levels. Depending on the number of senior officers, the Compensation Committee may restrict itself to reviewing and approving the compensation of the senior officers who are the Chief Executive Officer's direct reports.
- 7.5.5** The Compensation Committee shall make recommendations to the Board of Directors with respect to new incentive-compensation and equity based plans, or amendments to any such existing plans, other than plans covering solely outside Board Members.
- 7.5.6** The Compensation Committee shall approve and ratify awards under incentive-compensation and equity-based plans, including amendments to the awards made under any such plans.
- 7.5.7** The Compensation Committee shall annually review and approve, for the Chief Executive Officer, the Chairman and the other senior officers of the Company, (1) employment agreements, severance arrangements and change in control agreements or provisions, in each case, when and if appropriate, and (2) any special or supplemental benefits, including perquisites.

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- 7.5.8** The Compensation Committee shall consult with the Chief Executive Officer on any proposals to the full Board of Directors regarding decisions to retain or terminate any senior officer, other than the Chairman (except termination under exigent circumstances), and shall approve any retention or severance terms for the Chief Executive Officer, the Chairman or any member of the Executive Management.
- 7.5.9** The Compensation Committee, in consultation with the Nominating and Governance Committee, shall work with the Chief Executive Officer and the Chairman to make appropriate plans for their respective succession upon retirement, death or disability and review such plans at least annually.
- 7.5.10** The Compensation Committee shall be responsible for the oversight of management development and evaluation of succession planning for other key senior officers.
- 7.5.11** The Compensation Committee shall review and approve the list of a peer group of companies to which the Company shall compare itself for compensation purposes.
- 7.5.12** The Compensation Committee shall consult with management on any proposed plans to reorganize the senior management structure of the Company.
- 7.5.13** The Compensation Committee shall annually review travel and entertainment expenses incurred by the Chief Executive Officer and other senior officers of the Company.
- 7.5.14** The Compensation Committee shall review and discuss the compensation discussion and analysis with management and, based on this review and discussion, recommend that it be included in the Company's annual report on Form 10-K and proxy statement.
- 7.5.15** The Compensation Committee shall review and reassess the adequacy of this section 7 and its charter annually and recommend any proposed changes to the Board of Directors for approval.
- 7.5.16** The Compensation Committee shall have the right to excuse any Compensation Committee member from a meeting or portion thereof to permit the remaining members of the Compensation Committee to discuss or act on any matter for which, in the Compensation Committee's opinion, the excused member's participation is not appropriate, and such excused member's absence in this circumstance shall not be deemed an absence for the purposes of determining a quorum.
- 7.5.17** The Compensation Committee shall have such other duties, responsibilities and authorities as the Board of Directors may from time to time delegate.
- 7.6 Reporting**
- 7.6.1** The Compensation Committee shall keep a record of its proceedings.

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7.6.2 The Compensation Committee shall report to the Board of Directors.

## 8. EXECUTIVE COMMITTEE

### 8.1 Meetings

Meetings of the executive committee (“**Executive Committee**”) are convened in accordance with Clause 5.4. Additionally, the Delegate and the Chief Executive Officer may request a meeting.

### 8.2 Purpose

In case of urgencies, the Executive Committee is to exercise all the powers and authority of the Board of Directors in the ultimate management of the business and affairs of the Company between the meetings of the Board of Directors, except (a) as limited by Clause 2.1, the Company’s Articles of Association, rules of the New York Stock Exchange or applicable law or regulation and (b) matters that are specifically reserved for another Committee of the Board of Directors.

### 8.3 Authority

8.3.1 Except (a) as limited by Clause 2.1, the Company’s Articles of Association, rules of the New York Stock Exchange or applicable law or regulation and (b) matters that are specifically reserved for another committee of the Board of Directors, the Executive Committee shall have and may exercise all the powers and authority of the Board of Directors in the ultimate management of the business and affairs of the Company between the meetings of the Board of Directors.

8.3.2 The Executive Committee shall have the authority to retain special legal, accounting or other consultants to advise the Executive Committee.

8.3.3 The Executive Committee may request any other Board Member, officer or employee of the Company or the Company’s outside counsel or independent auditor or actuary to attend a meeting of the Executive Committee or to meet with any members of, or consultants to, the Executive Committee.

### 8.4 Composition

8.4.1 The Executive Committee shall consist of the Chairman, the Chief Executive Officer (if other than the Chairman), not more than two “inside” Board Members recommended by the Delegate and approved by the Board of Directors and the chairmen of each of the Audit Committee, the Compensation Committee, the finance and investment committee (“**Finance and Investment Committee**”) and the Nominating and Governance Committee.

**8.4.2** A quorum shall be constituted according to Clause 5.5(a), provided that at least one such member constituting the quorum shall be a Board Member who is not an executive officer of the Company.

**8.4.3** The Chairman shall act as chairman of the Executive Committee.

**8.5 Duties and Responsibilities**

**8.5.1** In addition to exercising the powers and authority of the Board of Directors in the ultimate management of the business and affairs of the Company between the meetings of the Board of Directors within the limitation set forth in Clause 8.3.1, the Executive Committee shall have such other duties, responsibilities and authorities as the Board of Directors may from time to time delegate.

**8.5.2** The Executive Committee shall review and reassess the adequacy of this section 8 annually and recommend any proposed changes to the Board of Directors for approval.

**8.5.3** The Executive Committee shall annually review its own performance.

**8.6 Reporting**

**8.6.1** The Executive Committee shall keep a record of its proceedings.

**8.6.2** The Executive Committee shall report to the Board of Directors.

**9. FINANCE AND INVESTMENT COMMITTEE**

**9.1 Meetings**

**9.1.1** Meetings of the Finance and Investment Committee are convened in accordance with Clause 5.4.

**9.1.2** Permanent participants with advisory functions are the Delegate, the Chief Executive Officer, the chief financial officer and the chief investment officer.

**9.2 Purpose**

**9.2.1** The Finance and Investment Committee shall oversee management's investment of the Company's investible assets.

**9.2.2** The Finance and Investment Committee shall also oversee the Company's capital structure and financing arrangements in support of the Company's annual financial plan and make recommendations to the Board of Directors with regard thereto.

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**9.3 Authority**

- 9.3.1** The Finance and Investment Committee shall have the authority to (i) approve the Company's written investment guidelines to ensure consistent application of the Investment Policy of the Company, (ii) approve asset allocation ranges, (iii) review the performance of the Company's investment managers, (iv) direct management to have procedures in place to cause the investment portfolio to be in compliance with guidelines and asset allocation ranges, and (v) such other powers as may be delegated to it from time to time by the Board of Directors.
- 9.3.2** The Finance and Investment Committee shall have the authority to retain special legal, accounting or other consultants to advise the Finance and Investment Committee.
- 9.3.3** The Finance and Investment Committee may request any other Board Member, officer or employee of the Company or the Company's outside counsel to attend a meeting of the Finance and Investment Committee or to meet with any members of, or consultants to, the Finance and Investment Committee.
- 9.3.4** The Finance and Investment Committee may form and delegate authority to subcommittees when appropriate.

**9.4 Composition**

- 9.4.1** The Finance and Investment Committee shall consist of at least three Board Members, including a chairman, each selected from and by the Board of Directors, upon the recommendation of the Nominating and Governance Committee. Any Finance and Investment Committee member may be removed by the Board of Directors upon the recommendation of the Nominating and Governance Committee.
- 9.4.2** The chief financial officer of the Company and the president of ACE Asset Management shall be ex-officio members of the Finance and Investment Committee.

**9.5 Duties and Responsibilities**

- 9.5.1** The Finance and Investment Committee shall establish a written Investment Policy for the Company consistent with the Company's strategies, goals and objectives. The Investment Policy and any changes thereto shall be reviewed and approved by the Board of Directors.
- 9.5.2** The Finance and Investment Committee shall approve from time to time asset allocation ranges consistent with the portfolio objectives defined in the Company's Investment Policy. The Finance and Investment Committee shall promptly inform the Board of Directors of the establishment of any new asset allocation ranges or modifications to the existing asset allocation ranges.

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- 9.5.3** The Finance and Investment Committee shall periodically review the performance of the Company's investment managers and their compliance with the Company investment guidelines and asset allocation ranges.
- 9.5.4** The Finance and Investment Committee shall periodically review the Company's capital structure and adequacy and, to the extent deemed necessary, recommend to the Board of Directors alterations to such capital structure.
- 9.5.5** The Finance and Investment Committee shall review, discuss and make recommendations to the Board of Directors concerning proposed issuances of equity, debt and other securities and proposed credit and similar facilities.
- 9.5.6** The Finance and Investment Committee shall review, discuss and make recommendations to the Board of Directors concerning repurchases of any of the Company's outstanding securities.
- 9.5.7** The Finance and Investment Committee shall review and make recommendations to the Board of Directors concerning the Company's dividend policy and dividends to be paid.
- 9.5.8** The Finance and Investment Committee shall approve the Company's derivatives policy and any changes thereto.
- 9.5.9** The Finance and Investment Committee shall review and recommend to the Board of Directors changes in the Company's treasury resolutions and expenditure.
- 9.5.10** The Finance and Investment Committee shall review and reassess the adequacy of this section 9 and its charter annually and recommend any proposed changes to the Board of Directors for approval.
- 9.5.11** The Finance and Investment Committee shall annually review its own performance.
- 9.5.12** The Finance and Investment Committee shall have the right to excuse any Finance and Investment Committee member from a meeting or portion thereof to permit the remaining members of the Finance and Investment Committee to discuss or act on any matter for which, in the Finance and Investment Committee's opinion, the excused member's participation is not appropriate, and such excused member's absence in this circumstance shall not be deemed an absence for the purposes of determining a quorum.
- 9.5.13** The Finance and Investment Committee shall have such other duties, responsibilities and authorities as the Board of Directors may from time to time delegate.
- 9.6 Reporting**
- 9.6.1** The Finance and Investment Committee shall keep a record of its proceedings.

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**9.6.2** The Finance and Investment Committee shall report to the Board of Directors.

**10. NOMINATING AND GOVERNANCE COMMITTEE**

**10.1 Meetings**

**10.1.1** Meetings are convened in accordance with Clause 5.4.

**10.1.2** Permanent participants with advisory functions are the Delegate, the Chief Executive Officer and the Secretary.

**10.2 Purpose**

The Nominating and Governance Committee is to assist the Board of Directors in (1) identifying individuals qualified to become Board Members, and recommending to the Board Members nominees for the next annual general shareholders meeting or to fill vacancies; and (2) developing and recommending to the Board of Directors corporate governance guidelines for the Group.

**10.3 Authority**

**10.3.1** The Nominating and Governance Committee shall have the authority to retain and terminate any search firm to be used to identify Board Member candidates and shall have the authority to approve the search firm's fees and other retention terms.

**10.3.2** The Nominating and Governance Committee shall have the authority to retain special legal, accounting or other consultants to advise and assist the Nominating and Governance Committee.

**10.3.3** The Nominating and Governance Committee may request any other Board Member, officer or employee of the Company or the Company's outside counsel to attend a meeting of the Nominating and Governance Committee or to meet with any members of, or consultants to, the Nominating and Governance Committee.

**10.3.4** The Nominating and Governance Committee may form and delegate authority to subcommittees when appropriate.

**10.3.5** The Nominating and Governance Committee shall have authority to conduct a search for, and to make a recommendation to the Board of Directors regarding a new Chief Executive Officer and a new Chairman.

**10.3.6** The Nominating and Governance Committee shall have authority to make a recommendation to the Board of Directors regarding the termination of employment of the Company's Chief Executive Officer and the removal of the Chairman from the position of the Chairman (but not the removal of such individual from his or her membership in the Board of Directors).

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## **10.4 Composition**

**10.4.1** The Nominating and Governance Committee shall consist of no fewer than three Board Members, including a chairman, each selected from and by the Board of Directors. Any Nominating and Governance Committee member may be removed by the Board of Directors.

**10.4.2** Each member of the Nominating and Governance Committee shall be “independent” as defined under applicable U.S. Securities and Exchange Commission and New York Stock Exchange rules, as such requirements are interpreted by the Board of Directors in its business judgment.

## **10.5 Duties and Responsibilities**

### **10.5.1 Nominations and Board Composition**

- (a) The Nominating and Governance Committee shall develop qualification criteria for Board Members, and actively seek, interview and screen individuals qualified to become Board Members for recommendation to the Board of Directors in accordance with the Corporate Governance Guidelines. The Nominating and Governance Committee shall recommend to the Board of Directors potential nominees to the Board of Directors, and the re-nomination of incumbent Board Members as appropriate. The Nominating and Governance Committee shall consider potential nominees recommended by shareholders, but the Nominating and Governance Committee has no obligation to recommend such candidates for nomination.
- (b) The Nominating and Governance Committee shall periodically review the compensation and ACE shareholding guidelines of Board Members and make recommendations to the Board of Directors on any recommended changes.
- (c) The Nominating and Governance Committee shall review annually, or more often if appropriate, the Board Members who are members of the Nominating and Governance Committee (including qualifications and requirements), the structure (including authority to delegate) and the performance of the Nominating and Governance Committee of the Board of Directors (including reporting to the Board of Directors), and make recommendations to the Board of Directors, as appropriate.
- (d) The Nominating and Governance Committee shall review annually, or more often if appropriate, the qualification of Board Members as “independent” within the meaning of U.S. Securities and Exchange Commission and New York Stock Exchange rules and make recommendations to the Board of Directors with respect to such determinations.

- (e) The Nominating and Governance Committee will prepare and assist each other Committee's self-evaluation to determine whether such Committees are functioning effectively.
- (f) The Nominating and Governance Committee shall consult with the Compensation Committee in its work with the Company's Chief Executive Officer and the Chairman in making appropriate plans for the Company's Chief Executive Officer's and the Chairman's succession upon retirement, death or disability.
- (g) The Nominating and Governance Committee shall review annually, or more often if appropriate, the qualification of Audit Committee members as "financially literate" and as having accounting or related financial management expertise within the meaning of New York Stock Exchange rules and as audit committee financial experts within the meaning of U.S. Securities and Exchange Commission rules and make recommendations to the Board of Directors with respect to such determinations.

**10.5.2** Corporate Governance

- (a) The Nominating and Governance Committee shall serve in an advisory capacity to the Board of Directors and the Chairman on matters of organizational and governance structure of the Company and the conduct of the Board of Directors.
- (b) The Nominating and Governance Committee will prepare and assist the Board of Directors in conducting a self-evaluation to determine whether the Board of Directors and its Committees are functioning effectively. The full Board of Directors will discuss the evaluation report to determine what, if any, action could improve the performance of the Board of Directors and of the Committees.
- (c) The Nominating and Governance Committee shall review and reassess at least annually the adequacy of the corporate governance guidelines of the Company and recommend any proposed changes thereto.
- (d) The Nominating and Governance Committee shall report annually to the Board of Directors with an assessment of the Board of Directors' performance, to be discussed with the full Board of Directors following the end of each fiscal year.
- (e) The Nominating and Governance Committee shall recommend to the Board of Directors the designation of officers of the Company as executive officers of the Company for the purposes of U.S. Securities and Exchange Commission reporting requirements.
- (f) The Nominating and Governance Committee shall review annually, or more often if appropriate, the Company's directors' and officers' errors and omissions liability coverage and make any recommendations thereto that it deems appropriate.

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- (g) The Nominating and Governance Committee shall review annually, or more often if appropriate, the practices and procedures of any political action committees affiliated with the Company to ascertain compliance by such political action committees with applicable laws. For the avoidance of doubt, the Nominating and Governance Committee shall not direct, dictate, control, or directly or indirectly participate in the decision-making process of, any political action committee with regard to contributions or expenditures in connection with elections for any local, State, or Federal office or decisions concerning the administration of such political action committee.
  - (h) The Nominating and Governance Committee shall review annually, or more often if appropriate, the Company's contributions to the ACE Foundation and associated ACE Foundation projects and set any guidelines relating thereto that it deems appropriate.
  - (i) The Nominating and Governance Committee shall review reports and disclosures of insider and affiliated party transactions to be provided periodically, and not less than annually, by the Company's general counsel.

**10.5.3** The Nominating and Governance Committee shall review and reassess the adequacy of this section 10 and its charter annually and recommend any proposed changes to the Board of Directors for approval.

**10.5.4** The Nominating and Governance Committee shall annually review its own performance.

**10.5.5** The Nominating and Governance Committee shall have the right to excuse any Nominating and Governance Committee member from a meeting or portion thereof to permit the remaining members of the Nominating and Governance Committee to discuss or act on any matter for which, in the Nominating and Governance Committee's opinion, the excused member's participation is not appropriate, and such excused member's absence in this circumstance shall not be deemed an absence for the purposes of determining a quorum.

**10.5.6** The Nominating and Governance Committee shall have such other duties, responsibilities and authorities as the Board of Directors may from time to time delegate.

## **10.6 Reporting**

**10.6.1** The Nominating and Governance Committee shall keep a record of its proceedings.

**10.6.2** The Nominating and Governance Committee shall report to the Board of Directors.

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**11. OTHER COMMITTEES**

The Board of Directors may designate one or more additional committees, each such committee to consist of such person or persons as may be designated by the Board of Directors. Except as expressly limited by law or by the Company's Articles of Association or by resolution of the Board of Directors, any such committee shall have and may exercise such powers and adopt such procedures as the Board of Directors may determine and specify in the resolution designating such committee.

**12. DELEGATE**

**12.1 Powers and Responsibilities**

**12.1.1** The Delegate is a member of the Board of Directors ( *Verwaltungsratsdelegierter* ) and the Chief Executive Officer of the Executive Management.

**12.1.2** If the Board of Directors appointed a Delegate in accordance with Clause 2.1.2(d), this Delegate shall have the following powers and responsibilities:

- (a) heading the Executive Management and convene and chair its meetings;
- (b) liaise between the Board of Directors and the Executive Management in all areas that are not reserved to the Chairman;
- (c) chair the meetings of the Executive Management;
- (d) Supervise and prepare the implementation of the resolutions of the Board of Directors on the ultimate management of the Company;
- (e) supervise the development of the strategies of the Company by the Executive Management; and
- (f) supervise the formation for the top management of the Company.

**12.2 Further Powers and Responsibilities**

**12.2.1** Furthermore, the Delegate has the responsibilities as set forth in the Articles of Association and these Organizational Regulations. In particular, he is responsible and supervises the implementation of the resolutions by the Board of Directors.

**12.2.2** The Board of Directors may delegate further powers and responsibilities to the Delegate.

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### **13. EXECUTIVE MANAGEMENT**

#### **13.1 Powers and Responsibilities**

**13.1.1** The Executive Management shall manage the operations of the Company and the overall business of the Group and shall control all employees of the Company.

**13.1.2** In particular, the Executive Management shall exercise the following duties and competencies:

- (a) operational management of the Group, the implementation of the strategic business policy, the implementation of these Organizational Regulations as well as the drawing up of the necessary additional regulations and directives for approval by the Board of Directors as well as the implementation of the approved regulations and directives;
- (b) manage and supervise all on-going business and transactions of the Group within the framework of these Organizational Regulations save for decisions with an extraordinary importance which require prior approval by the Board of Directors;
- (c) preparation for approval by the Board of Directors and implementation of the accounting, financial control and the financial planning;
- (d) prepare and present the annual accounts, the quarterly balance sheet as well as the annual report to the Board of Directors and the subsidiary boards as well as periodical and legally required reporting to these boards regarding the course of business of the individual subsidiaries.

#### **13.2 Appointments**

**13.2.1** The members of the Executive Management are appointed and removed by the Board of Directors.

**13.2.2** The Executive Management is constituted of the Chief Executive Officer, the chief financial officer, the chief accounting officer, the chief investment officer, the general counsel and such other members as the Board of Directors may appoint from time to time.

#### **13.3 Meetings, Convocation of Meetings, Agenda**

**13.3.1** The Executive Management shall be convened whenever required by business, a minimum of once per month.

**13.3.2** Meetings shall be convened by the Chief Executive Officer or, in his/her absence, by another member of the Executive Management. Each member of the Executive Management shall be entitled to request an immediate convening of a meeting and must, in this event, set forth the items to be discussed.

**13.3.3** Meetings shall be announced at least one calendar day in advance by letter, facsimile or e-mail. Items on the agenda shall be set forth in this correspondence.

In case of urgency shorter notice periods are permitted. If all members of the Executive Management are present and agree, deviations from these formal requirements are permitted; in particular, decisions can be taken that are not mentioned on the agenda.

**13.3.4** The Chief Executive Officer, or in his/her absence his/her deputy, shall chair the meetings.

**13.3.5** Each member shall be entitled to submit proposals regarding the items on the agenda. This right may also be executed by way of correspondence.

**13.3.6** The Chief Executive Officer shall decide whether individuals not belonging to the Executive Management are to participate in meetings in a consultant capacity.

#### **13.4 Quorum and Minutes**

**13.4.1** A quorum shall be constituted when an absolute majority of the members of the Executive Management are present in person or participate using some alternative means of instant communication.

**13.4.2** The substance of the meeting and any decisions taken by the Executive Management shall be recorded. The minutes shall be signed by the Chief Executive Officer and the person keeping the minutes. Each member of the Executive Management shall receive a copy of the minutes. They shall be considered approved if no remarks to the contrary are made before the end of the next meeting. The minutes shall be accessible for the Board Members at any time.

### **14. GROUP INTERNAL AUDIT**

#### **14.1 Responsibilities**

Group internal audit (“ **Group Internal Audit** ”) shall examine and evaluate the adequacy and effectiveness of the Group’s internal control environment, and the quality of performance in carrying out assigned responsibilities to achieve the Group’s goals and objectives.

In fulfilling its responsibilities, Group Internal Audit shall:

- (a) submit audit services plans to the Audit Committee for approval;
- (b) periodically report to the Audit Committee;

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- (c) inform the Audit Committee about significant findings during the year; and
  - (d) provide any additional information requested by the Audit Committee.

#### **14.2 Organization**

The organizational structure of Group Internal Audit and resource requirements necessary for Group Internal Audit to perform its activities shall be defined by the head of Group Internal Audit and submitted to the Audit Committee for approval. The head of Group Internal Audit shall review and approve all new hires and terminations of staff.

#### **14.3 Professional Standards**

Group Internal Audit shall adhere to the Group's guidelines and procedures and Group Internal Audit's organization and processes manuals and guidelines or to such other standards as required by applicable law or regulation.

#### **14.4 Independence**

**14.4.1** Group Internal Audit performs its internal audit activities with independence and objectivity. It shall have no direct operational responsibility or authority over any of the activities they review.

**14.4.2** Group Internal Audit shall coordinate its activities with other assurance functions in the Group and the external auditor.

### **15. GENERAL PROVISIONS**

#### **15.1 Signatory Powers**

**15.1.1** Signatory powers for the Company may be sole (*Einzelunterschrift*).

#### **15.2 Conflict of Interest**

**15.2.1** Members of the Board of Directors and of the Executive Management shall avoid any action, position or interest that conflict with the interests of the Company or the Group or give the appearance of a conflict of interest within the Company's code of conduct or under applicable law.

**15.2.2** When a conflict of interest is believed to exist, the relevant member of the Board of Directors and of the Executive Management is obliged to refrain from all discussions of, and abstain from voting upon, all matters touching his/her personal interests or the interests of any individual or legal person, or partnership with whom he/she is closely associated and to inform the Chairman accordingly.

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**15.3 Non-Disclosure**

The Board Members as well as all other executive bodies and employees are obliged to maintain secrecy towards third parties regarding all facts they obtain knowledge of during the performance of their duties. These duties of non-disclosure survive the termination of the relationship of the respective individual with the Company.

**15.4 Returning of Files**

Upon termination of the relationship with the Company all business files must be returned with the exception of documents used by a Board Member to follow-up his/her own actions.

**16. BUSINESS YEAR**

The business year of the Company starts on 1 January and ends on 31 December.

**17. FINAL PROVISIONS**

**17.1 Entering into Force**

These Organizational Regulations shall enter into force on the date of adoption by the Board of Directors; be it in a meeting or by circular resolution.

**17.2 Review and Amendments**

These Organizational Regulations shall be reviewed and if necessary amended on a regular basis by the Board of Directors.

**18. INDEMNIFICATION**

The Company shall indemnify, in accordance with and to the full extent now or hereafter permitted by law, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (including, without limitation, an action by or in the right of the Company), by reason of his acting as a director, officer, employee or agent of, or his acting in any other capacity for or on behalf of, the Company, against any liability or expense actually and reasonably incurred by such person in respect thereof. The Company may advance the expenses of defending any such act, suit or proceeding in accordance with and to the full extent now or hereafter permitted by law. Such indemnification and advancement of expenses are not exclusive of any other right to indemnification or advancement of expenses provided by law or otherwise.

The Board of Directors may authorize the Company to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Company,

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or is or was serving at the request of the Company as a director, officer, employee or agent of another company, partnership, joint venture, trust or other enterprise, or in a fiduciary or other capacity with respect to any employee benefit plan maintained by the Company, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Company would have the power to indemnify him against such liability under the provisions of this Article 18.

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Hamilton, Bermuda  
July 14, 2008

The Chairman of the Board of Directors:



REGISTERED SHARES



THIS CERTIFICATE IS TRANSFERABLE IN JERSEY CITY, NJ, NEW YORK, NY, AND PITTSBURGH, PA



# ACE Limited

Incorporated in Switzerland as a Stock Company  
INCORPORATED UNDER THE LAWS OF SWITZERLAND

REGISTERED SHARES



SEE REVERSE SIDE FOR CERTAIN DEFINITIONS  
CUSIP H0023R 10 5

THIS CERTIFIES THAT

IS THE OWNER OF

FULLY PAID AND NON-ASSESSABLE REGISTERED SHARES OF, CHF 33.74 PAR VALUE, OF

**ACE Limited, Zurich, Switzerland**

transferable on the records of the Corporation in person or by duly authorized attorney upon surrender of this certificate properly endorsed. This certificate is not valid unless signed by a member of the Board of Directors of the Corporation (including by facsimile signature) and another authorized signatory of the Corporation.

This certificate is not valid unless countersigned by a Transfer Agent and registered by a Registrar.

WITNESS the facsimile signatures of a member of the Board of Directors of the Corporation and a duly authorized signatory of the Corporation.

DATED:

*E. Greenberg*  
 EWAN G. GREENBERG  
 CHAIRMAN AND CHIEF EXECUTIVE OFFICER

*R. Cusumano*  
 ROBERT F. CUSUMANO  
 SECRETARY

AUTHORIZED SIGNATURE

COUNTERSIGNED AND REGISTERED BY  
MELLON INVESTOR SERVICES LLC  
TRANSFER AGENT AND REGISTRAR





**ace limited**

ACE Limited  
17 Woodbourne Avenue  
Hamilton HM 08  
Bermuda

PO Box HM 1015  
Hamilton HM DX  
Bermuda

441 295-5200 *main*  
441 292-8675 *fax*

[www.ancelimited.com](http://www.ancelimited.com)

**News  
Release**

**FOR IMMEDIATE RELEASE**

Investor Contact: Helen M. Wilson  
(441) 299-9283  
[helen.wilson@ace.bm](mailto:helen.wilson@ace.bm)

Media Contact: Patrick F. McGovern  
(212) 827-4426  
[patrick.mcgovern@ace-ina.com](mailto:patrick.mcgovern@ace-ina.com)

**ACE LIMITED ANNOUNCES COMPLETION OF RE-DOMESTICATION OF  
HOLDING COMPANY FROM CAYMAN ISLANDS TO SWITZERLAND**

HAMILTON, Bermuda – July 18, 2008 – ACE Limited (NYSE: ACE) announced today that it has completed the previously-announced re-domestication of the Company from the Cayman Islands to Zurich, Switzerland. ACE continues to be registered with the Securities and Exchange Commission (SEC) and prepare its financial statements in U.S dollars and in accordance with U.S. GAAP reporting. Shareholders will continue to receive dividends in U.S. dollars, and the Company’s common shares will continue to trade on the New York Stock Exchange under the ticker symbol “ACE.”

At the ACE Annual General Meeting, held July 10 and 14, 2008, ACE’s shareholders approved all proposals voted upon. The re-domestication became official following governmental filings made in the Cayman Islands and Switzerland, and the establishment of the holding company in Zurich. Certain corporate governance and other changes effected as part of the re-domestication, including new charter documents and the increase in the par value of common shares of the Company, are described in SEC filings on Form 8-K and the Company’s proxy statement/prospectus dated May 30, 2008, available at [www.sec.gov](http://www.sec.gov). The business of the ACE Group of Companies was not otherwise materially affected by the re-domestication.

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“This is an historic day for ACE as we commence operations as a Swiss company,” said Evan G. Greenberg, Chairman and Chief Executive Officer of ACE Limited. “We are grateful to our shareholders, who understand the strategic wisdom of this move and overwhelmingly adopted all of our re-domestication proposals.”

The ACE Group of Companies is a global leader in insurance and reinsurance serving a diverse group of clients. Headed by ACE Limited, the ACE Group of Companies conducts its business on a worldwide basis with operating subsidiaries in more than 50 countries. Additional information can be found at: [www.ancelimited.com](http://www.ancelimited.com).

***Cautionary Statement Regarding Forward-Looking Statements :***

*Forward-looking statements made in this press release reflect the Company’s current views with respect to future events and performance and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements involve risks and uncertainties, which may cause actual results to differ materially from those set forth in these statements. For example, the Company’s forward-looking statements about its business and operations following the re-domestication, and the anticipated effects of the re-domestication, could be affected by risks such as if the Company encounters difficulties with the transition to a new jurisdiction of incorporation and statutory regime. In addition, the Company’s business in general will continue to be subject to risks including competition, pricing and policy term trends, the levels of new and renewal business achieved, market acceptance, changes in demand, the frequency of unpredictable catastrophic events, actual loss experience, uncertainties in the reserving or settlement process, new theories of liability, judicial, legislative, regulatory and other governmental developments, litigation tactics and developments, investigation developments and actual settlement terms, the amount and timing of reinsurance recoverable, credit developments among reinsurers, actual market developments, rating agency action, possible terrorism or the outbreak and effects of war and economic, political, regulatory, insurance and reinsurance business conditions, as well as management’s response to these factors, and other factors identified in the Company’s filings with the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the dates on which they are made. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*

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