

Lancashire Holdings Limited
(the “Company”) or (“LHL”)

**Notification and public disclosure of transactions by persons discharging managerial responsibilities
and persons closely associated with them**

The Company announces that, on 14 March 2017, Restricted Share Awards (“RSS awards”) were granted as nil-cost options over common shares of US\$0.50 each under the LHL Restricted Share Scheme as both Long Term Incentive Awards and Deferred Annual Bonus Awards to Alex Maloney, Executive Director and Chief Executive Officer and Elaine Whelan, Executive Director and Chief Financial Officer.

Mr. Maloney was granted 339,881 RSS awards as nil-cost options over the Company’s common shares of US\$0.50 each. Of these RSS awards 286,666 were granted as Long Term Incentive Awards* and 53,215 were granted as Deferred Annual Bonus Awards**.

Following this transaction, Mr. Maloney continues to have an interest in the Company of 513,512 common shares (*which includes 100,000 held via a connected person*), representing 0.2568%.

Mr. Maloney now holds the following interests in the Company:

Long Term Incentive Awards – 833,929

(Pursuant to the Rules of the LHL Restricted Share Scheme, the number of shares that will actually vest depends on the satisfaction of certain conditions including employment, performance and time conditions).

Deferred Annual Bonus Awards– 147,202

(Vesting is subject to time and employment conditions only).

Mrs. Whelan was granted 216,982 RSS awards as nil-cost options over the Company’s common shares of US\$0.50 each. Of these RSS awards 180,441 were granted as Long Term Incentive Awards* and 36,541 were granted as Deferred Annual Bonus Awards**.

Following this transaction, Mrs. Whelan continues to have an interest in the Company of 524,370 common shares (*which includes 11,590 held via a connected person*), representing 0.2623%.

Mrs. Whelan now holds the following interests in the Company:

Long Term Incentive Awards – 505,694

(Pursuant to the Rules of the LHL Restricted Share Scheme, the number of shares that will actually vest depends on the satisfaction of certain conditions including employment, performance and time conditions).

Deferred Annual Bonus Awards – 72,126

(Vesting is subject to time and employment conditions only).

* *In accordance with the LHL Restricted Share Scheme rules, in the normal course of events the 2017 Long Term Incentive Awards will vest in 2020 to the extent that the Performance Conditions (measured over a three year performance period ending 31 December 2019) have been satisfied and provided the Award holder remains employed by a Group Member on the date of vesting.*

** *In accordance with the LHL Restricted Share Scheme rules, exercise of the 2016 Deferred Annual Bonus Awards may occur over the relevant vested shares at such point as the recipients select, up to the 10th anniversary of the date of grant. Subject to the vesting conditions, each Deferred Annual Bonus Award will vest in three equal tranches. Vested awards may only be exercised in “open periods”. It is anticipated that the first open period following the normal vesting date of the first tranche will commence in February 2018, in February 2019 in the case of the second tranche, and in February 2020 in the case of the third tranche.*

As noted in the Company's Annual Report and Accounts for 2016 ("2016 Annual Report"), for the 2016 year the financial performance element of the annual bonus for Executive Directors of Lancashire Holdings Limited was calculated using both an absolute Return on Equity ("RoE") and relative RoE component. The relative RoE component is measured against peer companies as set out on page 76 of the 2016 Annual Report.

As at the date of the approval of the 2016 Annual Report (being 15 February 2017), all the relevant peer companies had not reported their annual results and it was stated that the relative RoE component of the annual bonus was provisionally calculated at median performance (being 100 per cent of target and 50 per cent of the maximum). Now that all the peer companies have reported, the Remuneration Committee can confirm that the performance and related payment for the relative RoE component was at the 73rd per centile (based on the growth in book value, adjusted for dividends of 13.5%), resulting in an aggregate bonus payment for the relative RoE component of US\$673,141 to Alex Maloney and US\$462,224 to Elaine Whelan. Accordingly, the total annual bonus for 2016 for Alex Maloney was US\$1,825,627 and for Elaine Whelan was US\$1,253,598 of which US\$456,407 and US\$313,400 were paid as Deferred Annual Bonus Awards.

The notification, made in accordance with Article 19 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (Market Abuse Regulation), is set out below:

1	Details of the person discharging managerial responsibilities/person closely associated		
a)	Name	<i>Alex Maloney</i>	
2	Reason for the notification		
a)	Position/status	<i>Executive Director and Group Chief Executive Officer</i>	
b)	Initial notification/Amendment	<i>Initial notification</i>	
3	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor		
a)	Name	<i>Lancashire Holdings Limited</i>	
b)	LEI	<i>5493002UNUYXLHOWF752</i>	
4	Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted		
a)	Description of the financial instrument, type of instrument Identification code	<i>Nil-cost options over Common Shares of US\$0.50 each</i> <i>ISIN: BMG5361W1047</i>	
b)	Nature of the transaction	Grant of 339,881 Restricted Share Awards ("RSS awards") granted as nil-cost options over common shares of US\$0.50 each, of which 286,666 were granted as Long Term Incentive Awards and 53,215 were granted as Deferred Annual Bonus Awards	
c)	Price(s) and volume(s)	Price(s)	Volume(s)
		<i>Nil</i>	<i>286,666</i>
		<i>Nil</i>	<i>53,215</i>
d)	Aggregated information Aggregated volume Price	339,881 NIL	
e)	Date of the transaction	<i>2017-03-14</i>	
f)	Place of the transaction	<i>Outside a trading venue</i>	

1	Details of the person discharging managerial responsibilities/person closely associated		
a)	Name	<i>Elaine Whelan</i>	
2	Reason for the notification		
a)	Position/status	<i>Executive Director and Group Chief Financial Officer</i>	
b)	Initial notification/Amendment	<i>Initial notification</i>	
3	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor		
a)	Name	<i>Lancashire Holdings Limited</i>	
b)	LEI	<i>5493002UNUYXLHOWF752</i>	
4	Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted		
a)	Description of the financial instrument, type of instrument Identification code	<i>Nil-cost options over Common Shares of US\$0.50 each</i> <i>ISIN: BMG5361W1047</i>	
b)	Nature of the transaction	Grant of 216,982 Restricted Share Awards (“RSS awards”) granted as nil-cost options over common shares of US\$0.50 each, of which 180,441 were granted as Long Term Incentive Awards and 36,541 were granted as Deferred Annual Bonus Awards.	
c)	Price(s) and volume(s)	Price(s)	Volume(s)
		<i>Nil</i>	<i>180,441</i>
		<i>Nil</i>	<i>36,541</i>
d)	Aggregated information Aggregated volume Price	216,982 NIL	
e)	Date of the transaction	<i>2017-03-14</i>	
f)	Place of the transaction	<i>Outside a trading venue</i>	

Name of authorised official of issuer for making notification

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15 March 2017