

BRESLAWSKI JAMES P
Form 4
March 12, 2013

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2015
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
BRESLAWSKI JAMES P

2. Issuer Name and Ticker or Trading Symbol
HENRY SCHEIN INC [HSIC]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
**C/O HENRY SCHEIN, INC., 135
DURYEA ROAD**

3. Date of Earliest Transaction
(Month/Day/Year)
03/08/2013

Director 10% Owner
 Officer (give title below) Other (specify below)
President, COO

(Street)
MELVILLE, NY 11747

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount or Price		
Common Stock, par value \$0.01 per share	03/08/2013		A		4,718 (1)	A	\$ 0 138,419 D
Common Stock, par value \$0.01 per share	03/08/2013		F		9,917 (2)	D	\$ 90.32 128,502 D
Common Stock, par value \$0.01 per share	03/11/2013		M		37,500	A	\$ 39.43 166,002 D

Common Stock, par value \$0.01 per share	03/11/2013	S	37,500	D	\$ 89.87 <u>(3)</u>	128,502	D	
Common Stock, par value \$0.01 per share						3,467	I	By 401(k) plan

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Amount or Number of Shares
Stock Option (Right to Buy) <u>(4)</u>	\$ 39.43	03/11/2013		M	37,500	<u>(5)</u> 03/09/2015	Common Stock, par value \$0.01 per share	37,500

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BRESLAWSKI JAMES P C/O HENRY SCHEIN, INC. 135 DURYE A ROAD MELVILLE, NY 11747	X		President, COO	

Signatures

/s/ James P.
Breslawski

03/12/2013

Signature of Reporting
Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
 - (1) Represents additional shares of the issuer's common stock issued under the Henry Schein, Inc. 1994 Stock Incentive Plan that vested on March 8, 2013 in connection with exceeding the performance target with respect to the reporting person's March 10, 2010 grant of performance-based restricted stock. (Actual vesting date of March 10, 2013 was a non-business day so vesting occurred on the preceding business day.)
 - (2) Represents the surrender of shares to the issuer to satisfy the reporting person's tax withholding obligation upon the vesting of the reporting person's March 9, 2009 grant of time-based restricted stock and March 10, 2010 grant of performance-based restricted stock, each of which vested on March 8, 2013. (Actual vesting dates were non-business days so vesting occurred on the preceding business day.)
 - (3) The price reflects a weighted average of sales made at prices ranging from \$89.69 to \$90.22 per share. The Reporting Person, upon request by the Securities and Exchange Commission staff, the issuer, or a security holder of the issuer, will provide full information regarding the number of shares sold at each separate price for this transaction.
 - (4) Acquired pursuant to the Issuer's 1994 Stock Incentive Plan, as amended.
 - (5) The option vested in four equal installments on each of March 9, 2006, March 9, 2007, March 9, 2008 and March 9, 2009.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. n person at the Validus special meeting, will not cause your previously granted proxy to be revoked. For shares you hold in street name, you may change your vote by submitting new voting instructions to your broker, bank or other nominee or, if you have obtained a legal proxy from your broker, bank or other nominee giving you the right to vote your shares at the Validus special meeting, by attending the Validus special meeting and voting in person.

Other Matters

Validus knows of no specific matter to be brought before the Validus special meeting that is not referred to in the notice of the Validus special meeting. If any such matter comes before the Validus special meeting, including any shareholder proposal properly made, the proxy holders will vote proxies in accordance with their judgment.

Quorum; Abstentions and Broker Non-Votes

The quorum required at the Validus special meeting is two or more shareholders present in person and representing in person or by proxy in excess of fifty percent (50%) of the total issued Validus Shares throughout the meeting.

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Abstentions and broker non-votes will be counted toward the presence of a quorum at, but will not be considered votes cast on any proposal brought before, the Validus special meeting. Because the vote required to approve the proposals is the affirmative vote of a majority of the votes cast, assuming a quorum is present, a broker non-vote with respect to any proposal to be voted on at the shareholder meeting will not have the effect of a vote for or against the relevant proposal, but will reduce the number of votes cast and therefore increase the relative influence of those shareholders voting.

Required Vote

As more fully described below under the description of the proposals, an affirmative vote of a majority of the votes cast at the Validus special meeting, at which a quorum is present in accordance with Validus bye-laws, is required to approve the share issuance and the adjournment proposal.

Validus Auditors

Representatives of PricewaterhouseCoopers are not expected to be present at the Validus special meeting and accordingly will not make any statement or be available to respond to any questions.

Proxy Solicitation

Validus will pay the cost of this proxy solicitation. In addition to soliciting proxies by mail, directors, officers and employees of Validus may solicit proxies personally and by telephone, facsimile or otherwise. None of these persons will receive additional or special compensation for soliciting proxies. In addition, Validus has retained Georgeson Inc. to assist in its solicitation of proxies in connection with the Validus special meeting, and estimates that it will pay Georgeson Inc. a fee not to exceed \$75,000. Georgeson Inc. may solicit proxies from individuals, banks, brokers, custodians, nominees, other institutional holders and other fiduciaries. Validus has also agreed to reimburse Georgeson Inc. for its reasonable administrative and out-of-pocket expenses and to indemnify it against certain losses, costs and expenses. Also, upon request, Validus will reimburse brokers, banks and other nominees for their expenses in sending proxy materials to their customers who are beneficial owners and obtaining their voting instructions.

Validus will furnish, without charge, to any shareholder a copy of its Annual Report on Form 10-K that it files with the SEC. A copy of the Validus Annual Report on Form 10-K for the year ended December 31, 2008 may be obtained upon written request to Jon Levenson at Validus Holdings, Ltd., 19 Par-La-Ville Road, Hamilton HM11, Bermuda.

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PROPOSALS TO BE SUBMITTED TO VALIDUS SHAREHOLDERS VOTE; VOTING REQUIREMENTS AND RECOMMENDATIONS

Proposal: Share Issuance

Validus board of directors unanimously adopted, subject to Validus shareholder approval at the Validus meeting, a resolution to approve the issuance of Validus Shares in connection with the acquisition of all outstanding IPC common shares, pursuant to the amalgamation or otherwise.

Under the terms of the amalgamation agreement, IPC shareholders (including IPC shareholders that do not vote in favor of the amalgamation, but excluding holders of any shares as to which appraisal rights have been exercised pursuant to Bermuda law and including any shares beneficially owned by Validus) will receive a fraction of a Validus Share equal to the exchange ratio of 1.2037 and cash in lieu of fractional shares as consideration for the exchange of their IPC shares in connection with the amalgamation.

The Listed Company Manual for companies listed on the NYSE, on which Validus common shares are listed, requires the approval of Validus shareholders in connection with the issuance of common shares or securities convertible into or exercisable for common shares if (a) the common shares or other securities being issued will have voting power equal to or in excess of 20% of the voting power outstanding before such issuance or (b) the number of common shares to be issued in or will be equal to or in excess of 20% of the number of common shares or other securities outstanding before such issuance. The minimum vote that will constitute shareholder approval under the NYSE rules is a majority of the total votes cast on the proposal.

Assuming closing of the acquisition, by amalgamation or otherwise, based on Validus and IPC's capitalization as of December 31, 2008, and a share exchange ratio of 1.2037, Validus would issue approximately 67,338,947 Validus Shares to shareholders of IPC in connection with the acquisition in exchange for IPC's outstanding common shares. Upon closing of the amalgamation, current Validus shareholders will own approximately 57% of Validus on a fully diluted basis and IPC shareholders will own approximately 43% of Validus on a fully diluted basis.

The affirmative vote of a majority of the votes cast at the Validus special meeting, at which a quorum is present in accordance with Validus bye-laws, is required to approve this proposal regarding the share issuance. **The acquisition will not close unless the Validus shareholders approve the share issuance.**

Validus board of directors unanimously recommends a vote FOR this proposal.

Proposal: Adjournment Proposal

Validus shareholders are being asked to consider and vote on a proposal to adjourn or postpone the Validus special meeting, in the discretion of the persons named as proxies, to solicit additional proxies.

The affirmative vote of a majority of the votes cast at the Validus special meeting, at which a quorum is present in accordance with Validus bye-laws, is required to approve this proposal regarding the adjournment proposal.

Validus board of directors unanimously recommends a vote FOR this proposal.

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The following table sets forth information as of March 13, 2009 regarding the beneficial ownership of Validus common shares by:

each person known by Validus to beneficially own more than 5% of our outstanding common shares,

each of Validus directors,

each of our named executive officers, and

all of our directors and executive officers as a group.

The information provided in the table below with respect to each principal shareholder has been obtained from that shareholder.

Beneficial Owner(1)(16)(17)	Common Shares	Shares Subject to Exercise of Warrants	Unvested Restricted Shares and Shares Subject to Exercise of Options	Total Beneficial Ownership (%) (2)	Fully Diluted Total Beneficial Ownership (%) (2)
Investment funds affiliated with The Goldman Sachs Group, Inc.(3),(4)	14,057,137	1,604,410		20.23%	17.38%
Aquiline Capital Partners LLC and the funds it manages(5)	6,886,342	3,193,865		12.76%	11.19%
Funds affiliated with or managed by Vestar Capital Partners(6)	8,571,427	972,810		12.43%	10.59%
Funds affiliated with or managed by New Mountain Capital, LLC(7)	6,986,241	784,056		10.14%	8.62%
Entities affiliated with Bank of America Corp. or managed by Bank of America Corp affiliates(3),(8)	6,134,530	1,067,187		9.37%	7.99%
Edward J. Noonan(9)	421,564	29,039	920,779	0.59%	1.52%
George P. Reeth(9)	133,084	7,260	523,767	0.19%	0.74%
C. N. Rupert Atkin(9)	90,962		319,680	0.12%	0.46%
Michael E. A. Carpenter(9)	291,715		22,910	0.38%	0.35%
Jeff Consolino(9)	59,405		384,964	0.08%	0.49%
Matthew J. Grayson(10),(11)		3,993		0.01%	0.00%
Jeffrey W. Greenberg(10),(12)	6,886,342	3,203,883		12.77%	11.20%
John J. Hendrickson(10)	57,142	72,598	4,430	0.17%	0.15%
Sumit Rajpal(3),(4),(10)				20.23%	17.38%
Sander M. Levy(10),(13)				12.43%	10.59%
Jean-Marie Nessi(10)					
Mandakini Puri(10),(14)				8.82%	7.53%
Alok Singh(10),(15)				10.14%	8.62%
Christopher E. Watson(10),(11)		6,026		0.01%	0.01%
Directors and Executive Officers as a group(19 persons)(16)	1,211,483	128,934	3,338,034	1.76%	5.16%

- (1) All holdings in this beneficial ownership table have been rounded to the nearest whole share.

- (2) The percentage of beneficial ownership for all holders has been rounded to the nearest 1/10th of a percentage. Total beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and includes common shares issuable within 60 days of March 13, 2009 upon the exercise of all options and warrants and other rights beneficially owned by the indicated person on that date. Fully diluted total beneficial ownership is based upon all common shares and all common shares subject to exercise of options and warrants outstanding at March 13, 2009.

Under our
Bye-laws, if,
and for so long
as, the common
shares of a
shareholder,
including any
votes conferred
by controlled
shares, would
otherwise

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represent more than 9.09% of the aggregate voting power of all common shares entitled to vote on a matter, including an election of directors, the votes conferred by such shares will be reduced by whatever amount is necessary such that, after giving effect to any such reduction (and any other reductions in voting power required by our Bye-laws), the votes conferred by such shares represent 9.09% of the aggregate voting power of all common shares entitled to vote on such matter.

- (3) All of the common shares beneficially owned by funds affiliated with or managed by The Goldman Sachs Group, Inc. and Goldman, Sachs & Co. (Goldman Sachs) are

non-voting.
Common shares
beneficially
owned by
entities
affiliated with
Bank of
America Corp.
(Bank of
America) (the
parent
corporation of
Merrill Lynch &
Co, Inc. (Merrill
Lynch)) or
managed by
Bank of
America
affiliates are
non-voting.

- (4) Funds affiliated
with or
managed by
Goldman Sachs
(collectively,
the Goldman
Sachs Funds)
are GSCP V
AIV, L.P.
(4,798,022
shares and
638,458.3
warrants), GS
Capital Partners
V Employees
Fund, L.P.
(1,550,787
shares and
206,358.9
warrants), GS
Capital Partners
V Offshore, L.P.
(3,279,530
shares and
436,397.5
warrants), GS
Capital Partners
V GmbH & Co.
KG (251,708

shares and
33,495.5
warrants),
GSCP V
Institutional
AIV, Ltd.
(2,177,093
shares and
289,698.7
warrants), GS
Private Equity
Partners 1999,
L.P. (1,039,607
shares), GS
Private Equity
Partners 1999
Offshore, L.P.
(166,143
shares), GS
Private Equity
Partners 1999
Direct
Investments
Funds, L.P.
(29,720 shares),
GS Private
Equity Partners
2000, L.P.
(439,293
shares), GS
Private Equity
Partners 2000
Offshore
Holdings, L.P.
(154,627 shares)
and GS Private
Equity Partners
2000 Direct
Investment
Fund, L.P.
(170,607
shares). The
Goldman Sachs
Group, Inc., and
certain
affiliates,
including
Goldman Sachs,
which is a
broker-dealer,
and the

Goldman Sachs Funds may be deemed to directly or indirectly beneficially own in the aggregate 14,057,137 of our common shares and 1,604,410 warrants which are owned directly or indirectly by the Goldman Sachs Funds.

Affiliates of The Goldman Sachs Group, Inc. and Goldman Sachs are the general partner, managing general partner or managing limited partner of the Goldman Sachs Funds.

Goldman Sachs is the investment manager for certain of the Goldman Sachs Funds. Goldman Sachs is a direct and indirect, wholly owned subsidiary of The Goldman Sachs Group, Inc. The Goldman Sachs Group, Inc., Goldman Sachs and the Goldman Sachs Funds share voting power and investment

power with certain of their respective affiliates. Sumit Rajpal, The Goldman Sachs Group, Inc. and Goldman Sachs each disclaim beneficial ownership of the common shares owned directly or indirectly by the Goldman Sachs Funds, except to the extent of their pecuniary interest therein, if any. The address for the Goldman Sachs Funds and their affiliates is 85 Broad Street, 10th Floor, New York, New York 10004.

- (5) Funds managed by Aquiline Capital Partners LLC are Aquiline Financial Services Fund L.P. (4,420,420 shares) and Aquiline Financial Services Fund (Offshore) L.P. (2,465,922 shares). Aquiline Capital Partners LLC owns the warrants shown. Matthew J.

Grayson and Christopher E. Watson are senior principals at Aquiline Capital Partners LLC and Jeffrey W. Greenberg is the managing principal of Aquiline Capital Partners LLC.

(6) Funds affiliated with or managed by Vestar Capital Partners are Vestar AIV Employees Validus Ltd. (90,419 shares and 10,236.3 warrants), Vestar AIV Holdings B L.P. (71,538 shares and 8,130.9 warrants), and Vestar AIV Holdings A L.P. (8,409,470 shares and 954,442.4 warrants). Sander M. Levy is a managing director of Vestar Capital Partners.

(7) Funds affiliated with or managed by New Mountain Capital, LLC are New Mountain Partners II (Cayman), L.P.

(6,391,468 shares and 716,031.5 warrants), Allegheny New Mountain Partners (Cayman), L.P. (484,642 shares and 55,392.1 warrants) and New Mountain Affiliated Investors II (Cayman), L.P. (110,131 shares and 12,632.0 warrants). Alok Singh is a managing director of New Mountain Capital, LLC.

- (8) Entities affiliated with Bank of America or managed by Bank of America affiliates are ML Global Private Equity Fund, L.P. (4,285,714 shares and 364,803.6 warrants), Merrill Lynch Ventures L.P. 2001 (1,428,571 shares and 121,601.2 warrants), GMI Investments, Inc. (580,781.9 warrants) and Merrill Lynch, Pierce, Fenner

& Smith
Incorporated
(420,245
shares).

The general
partner of ML
Global Private
Equity Fund,
L.P. is MLGPE
LTD., a
Cayman Islands
exempted

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company whose sole shareholder is ML Global Private Equity Partners, L.P., a Cayman Islands exempted limited partnership (ML Partners). The investment committee of ML Partners, which is composed of Merrill Lynch GP, Inc., a Delaware corporation, as the general partner of ML Partners, and certain investment professionals who are actively performing services for ML Global Private Equity Fund, L.P., retains decision-making power over the disposition and voting of shares of portfolio investments of ML Global Private Equity Fund, L.P. The consent of Merrill Lynch GP, Inc., as ML Partners' general partner, is required for any such vote. Merrill Lynch GP, Inc. is a wholly owned

subsidiary of
Merrill Lynch
Group, Inc., a
Delaware
corporation,
which in turn is a
wholly owned
subsidiary of
Merrill Lynch,
which in turn is a
wholly owned
subsidiary of
Bank of
America.
MLGPE LTD.,
as general
partner of ML
Global Private
Equity Fund,
L.P.; ML
Partners, the
special limited
partner of ML
Global Private
Equity Fund,
L.P.; Merrill
Lynch GP, Inc.,
by virtue of its
right to consent
to the voting of
shares of
portfolio
investments of
ML Global
Private Equity
Fund, L.P.; the
individuals who
are members of
the investment
committee of
ML Partners; and
each of Merrill
Lynch Group,
Inc. and Merrill
Lynch, because
they control
Merrill Lynch
GP, Inc., may
therefore be
deemed to
beneficially own

the shares that
ML Global
Private Equity
Fund, L.P. holds
of record or may
be deemed to
beneficially own.
Each such entity
or individual
expressly
disclaims
beneficial
ownership of
these shares.

The general
partner of Merrill
Lynch Ventures
L.P. 2001 is
Merrill Lynch
Ventures, L.L.C.
(ML Ventures),
which is a
wholly owned
subsidiary of
Merrill Lynch
Group, Inc.
Decisions
regarding the
voting or
disposition of
shares of
portfolio
investments of
Merrill Lynch
Ventures L.P.
2001 are made
by the
management and
investment
committee of the
board of
directors of ML
Ventures, which
is composed of
three individuals.
Each of ML
Ventures,
because it is the
general partner

of Merrill Lynch Ventures L.P. 2001; Merrill Lynch Group, Inc. and Merrill Lynch, because they control ML Ventures; and the three members of the ML Ventures investment committee, by virtue of their shared decision making power, may be deemed to beneficially own the shares held by Merrill Lynch Ventures L.P. 2001. Such entities and individuals expressly disclaim beneficial ownership of the shares that Merrill Lynch Ventures L.P. 2001 holds of record or may be deemed to beneficially own.

Merrill Lynch Ventures L.P. 2001 disclaims beneficial ownership of the shares that ML Global Private Equity Fund, L.P. holds of record or may be deemed to beneficially own. ML Global Private Equity

Fund, L.P.
disclaims
beneficial
ownership of the
shares that
Merrill Lynch
Ventures, L.P.
2001 holds of
record or may be
deemed to
beneficially own.
The address for
the Merrill
Lynch Funds and
their affiliates is
4 World
Financial Center,
23rd Floor, New
York, NY 10080.
Mandakini Puri
is a senior vice
president of
Merrill Lynch
Global Private
Equity.

- (9) Unvested
restricted shares
held by our
named executive
officers and
included in
common shares
accumulate
dividends and
may be voted.
Unvested
restricted shares
held by our
named executive
officers are
Mr. Noonan
(180,938 shares),
Mr. Reeth
(153,847 shares),
Mr. Atkin
(319,680 shares),
Mr. Consolino
(138,350 shares),
Mr. Carpenter

(22,910).

- (10) See the section entitled Election of Directors in Validus Definitive Proxy Statement filed with the SEC on March 25, 2009 for biographies of the directors, including their relationships with certain beneficial owners of common shares listed in this table.

- (11) Does not include shares and warrants beneficially owned by Aquiline Capital Partners LLC and the funds it manages. Mr. Grayson and Mr. Watson each disclaim existence of a group and beneficial ownership of the shares and warrants owned by Aquiline Capital Partners LLC and the funds it manages.

- (12) Includes shares and warrants beneficially owned by Aquiline Capital

Partners LLC
and the funds it
manages.

Mr. Greenberg
disclaims
existence of a
group and
disclaims
beneficial
ownership of the
shares, options
and warrants
owned by
entities affiliated
with or managed
by Aquiline
Capital Partners
LLC.

- (13) Includes shares
and warrants
beneficially
owned by
entities affiliated
with or managed
by Vestar Capital
Partners.
Mr. Levy
disclaims
existence of a
group and
disclaims
beneficial
ownership of the
shares, options
and warrants
owned by
entities affiliated
with or managed
by Vestar Capital
Partners.

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- (14) Includes shares and warrants beneficially owned by entities affiliated with Bank of America or managed by Bank of America affiliates. Ms. Puri disclaims existence of a group and disclaims beneficial ownership of the shares, options and warrants owned by Bank of America or managed by Bank of America affiliates.
- (15) Includes shares, options and warrants beneficially owned by entities affiliated with or managed by New Mountain Capital LLC. Mr. Singh disclaims existence of a group and disclaims beneficial ownership of the shares, options and

warrants owned
by entities
affiliated with
or managed by
New Mountain
Capital Group,
LLC.

(16) Excludes shares
as to which
beneficial
ownership is
disclaimed.

(17) The addresses
of each
beneficial owner
are as follows:
Funds affiliated
with or
managed by
Goldman, Sachs
& Company, c/o
Goldman, Sachs
& Co., 85 Broad
Street, New
York, NY
10004; Aquiline
Financial
Services Fund
L.P., c/o
Aquiline Capital
Partners LLC,
535 Madison
Avenue, New
York, NY
10022; Funds
affiliated with
or managed by
Vestar, c/o
Vestar Capital
Partners, 245
Park Avenue,
41st Floor, New
York, NY
10167; Funds
affiliated with
or managed by
New Mountain
Capital, LLC,

c/o New
Mountain
Capital, LLC,
787 Seventh
Avenue, 49th
Floor, New
York, NY
10019; Funds
affiliated with
or managed by
Bank of
America, c/o
Merrill Lynch
Global Private
Equity, 4 World
Financial
Center, 23rd
Floor, New
York, NY
10080. The
address of each
other beneficial
owner listed is
c/o Validus
Holdings, Ltd.,
19 Par-La-Ville
Road, Hamilton
HM11
Bermuda.

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CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Validus

Validus has established written procedures for the review of transactions between us and any company affiliated with funds managed by any of Validus sponsors or any other company in which Validus officers or directors have a material interest. We refer to a company in which one of Validus sponsors has a material interest as a portfolio company. Any such transaction must be reviewed and approved by our management or the management of the operating subsidiary entering into the transaction, and the terms of such transaction should be arm's-length or on terms that are otherwise fair to Validus. Any such transaction will also require prior approval of the audit committee, except reinsurance assumed transactions with a portfolio company that senior management has determined are ordinary course. Furthermore, the effect, if any, of such a transaction on the independence of any director will be considered.

The employers of or entities associated with certain directors or their affiliates have purchased or may in the future purchase insurance and/or reinsurance from Validus on terms Validus believes were and will be no more favorable to these insureds than those made available to other customers.

Certain members of Validus management and staff have provided guarantees to 1384 Capital Ltd, a company formed to indirectly facilitate the provision of Funds at Lloyd's, which we refer to as *FAL*.

Compensation Committee Interlocks and Insider Participation

Validus compensation committee is composed of John J. Hendrickson, Sander M. Levy, Mandakini Puri, Sumit Rajpal and Alok Singh. Each member of Validus compensation committee, other than Messrs. Hendrickson and Singh, has a relationship with entities with which Validus has engaged in certain transactions described below. Entities affiliated with Messrs. Hendrickson and Singh acquired common shares at the time of Validus formation and are parties to Validus shareholder agreement described below.

Shareholders Agreement and Related Provisions

Certain of Validus shareholders who acquired Validus common shares prior to the date of Validus initial public offering, which we refer to as the *existing shareholders*, and Validus have entered into a shareholders agreement dated as of December 12, 2005 that governs certain relationships among, and contains certain rights and obligations of, such existing shareholders.

In connection with any future public offerings of common shares by Validus, the shareholders agreement grants those existing shareholders certain rights to participate in registered offerings by Validus of its common shares, including demand and piggyback registration rights. The shareholders agreement defines Aquiline Capital Partners, LLC, which, together with its related companies, we refer to as *Aquiline*, Goldman Sachs Capital Partners, Vestar Capital Partners, New Mountain Capital, LLC and Merrill Lynch Global Private Equity as sponsors. So long as a sponsor continues to beneficially hold at least 1/3 of its original common shares, a sponsor is deemed to be a qualified sponsor. The shareholders agreement permits qualified sponsors to make up to four demand registrations.

These demand and piggyback registration rights are subject to limitations as to the maximum number of shares that may be registered if the managing underwriter in such an offering advises that the number of common shares offered should be limited due to market conditions or otherwise. Validus is required to pay all expenses incurred in connection with demand and piggyback registrations, excluding, in the case of demand registrations, underwriting discounts and commissions.

Each of Goldman Sachs Capital Partners and Merrill Lynch Global Private Equity is entitled to require pursuant to the shareholders agreement that Validus appoint each of Goldman Sachs and Merrill Lynch to act as a lead managing underwriter for certain demand registrations; *provided* that each of Goldman Sachs and Merrill Lynch

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individually is recognized at the time as a leading underwriter for such securities and affiliates of Goldman Sachs and Merrill Lynch are qualified sponsors at such time and the terms offered are market terms.

Additionally, the shareholders' agreement provides that existing shareholders as well as affiliates, directors, officers, employees and agents of existing shareholders are permitted to engage in activities or businesses that are competitive with us. This section of the shareholders' agreement also specifically releases existing shareholders from any obligation to refer business opportunities to Validus and establishes that no existing shareholder has any fiduciary duty to Validus.

Relationships with Our Founder and Sponsoring Investors and Their Related Parties

Validus Reinsurance, Ltd., which we refer to as *Validus Re*, entered into agreements on December 8, 2005 with BlackRock Financial Management, Inc., which we refer to as *BlackRock*, under which BlackRock provides investment management services of part of its investment portfolio, as well as certain reporting and related services in connection therewith. Accounting and investment management fees earned by BlackRock for the year ended December 31, 2008 were \$2,243,000. During 2008, Merrill Lynch (whose parent company is Bank of America) owned a substantial equity interest in BlackRock.

Validus Re entered into an agreement on December 8, 2005 with Goldman Sachs Asset Management and its affiliates, which we refer to as *GSAM*, under which GSAM was appointed as an investment manager of part of Validus' investment portfolio. Investment management fees earned by GSAM for year ended December 31, 2008 were \$1,404,000.

Pursuant to a reinsurance agreement, Validus has ceded premiums to Group Ark Insurance Holdings Ltd., which we refer to as *Group Ark*, of \$1,348,000 for the year ended December 31, 2008. A balance due to Group Ark of \$60,000 was included in reinsurance balances payable December 31, 2008. The contract terms were negotiated on an arm's-length basis. Aquiline and its affiliates own a majority of the ordinary shares of, and Mr. Watson is a director of, Group Ark.

Certain members of Validus management and staff have provided guarantees to 1384 Capital Ltd, a company formed to indirectly facilitate the provision of FAL. Validus paid \$803,000 of finance expenses to such management and staff in respect of such provision of FAL for the year ended December 31, 2008, all of which was included in accounts payable and accrued expenses at December 31, 2008. An amount of \$66,000 was included in general and administrative expenses in respect of the reimbursement of expenses relating to such FAL provision for the year ended December 31, 2008.

Validus and IPC

Validus acquired 100 IPC common shares, through its wholly owned subsidiary, Validus Re, a Bermuda exempted company, in the open market. As of the date of the filing of this proxy statement with the SEC, Validus beneficially owned 100 IPC common shares, or less than 1% of the amount outstanding.

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SOLICITATION OF PROXIES

Except as set forth below, Validus will not pay any fees or commissions to any broker, dealer, commercial bank, trust company or other nominee for the solicitation of proxies in connection with this solicitation.

Proxies will be solicited by mail, telephone, facsimile, telegraph, the internet, e-mail, newspapers and other publications of general distribution and in person. Directors and officers of Validus and Validus Ltd. listed on Schedule I hereto may assist in the solicitation of proxies without any additional remuneration.

Validus has retained Georgeson Inc. (Georgeson) for solicitation and advisory services in connection with solicitations relating to the Validus special meeting, for which Georgeson may receive a fee of up to \$75,000 in connection with the solicitation of proxies for the Validus special meeting. Up to 50 people may be employed by Georgeson in connection with the solicitation of proxies for the Validus special meeting. Validus has also agreed to reimburse Georgeson for out-of-pocket expenses and to indemnify Georgeson against certain liabilities and expenses, including reasonable legal fees and related charges. Georgeson will solicit proxies for the Validus special meeting from individuals, brokers, banks, bank nominees and other institutional holders. Directors, officers and certain employees of Validus and Validus Ltd. may assist in the solicitation of proxies without any additional remuneration. The entire expense of soliciting proxies for the Validus special meeting by or on behalf of Validus is being borne by Validus.

If you have any questions concerning this proxy statement or the procedures to be followed to execute and deliver a proxy, please contact Georgeson at the address or phone number specified on the front or back cover of this proxy statement.

OTHER MATTERS

Validus knows of no specific matter to be brought before the Validus special meeting that is not referred to in the notice of the Validus special meeting. If any such matter comes before the Validus special meeting, including any shareholder proposal properly made, the proxy holders will vote proxies in accordance with their judgment.

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SHAREHOLDER PROPOSALS FOR 2009 ANNUAL GENERAL MEETING

The date for submission of shareholder proposals intended for inclusion in the proxy statement for the 2009 annual general meeting has passed and such proposals should have been submitted in accordance with the procedures prescribed by Rule 14a-8 promulgated under the Exchange Act and sent to the General Counsel at Validus Holdings, Ltd., Suite 1790, 48 Par-La-Ville Road, Hamilton HM11, Bermuda and should have been received by December 4, 2008.

The date for presentations of other proposals at the 2009 annual general meeting has also passed. A shareholder could have presented a proposal at the 2009 annual general meeting other than pursuant to Rule 14a-8 promulgated under the Exchange Act if such proposal had been received by the General Counsel at Validus Holdings, Ltd., Suite 1790, 48 Par-La-Ville Road, Hamilton HM11, Bermuda by February 17, 2009. Any such proposal not so received would be deemed untimely and, therefore, the persons appointed by the board of directors as its proxy would have the right to exercise discretionary voting authority with respect to such proposal.

HOUSEHOLDING OF PROXY MATERIALS

The SEC has adopted rules that permit companies and intermediaries such as brokers to satisfy delivery requirements for proxy statements with respect to two or more shareholders sharing the same address by delivering a single proxy statement addressed to those shareholders. This process, which is commonly referred to as householding, potentially provides extra convenience for shareholders and cost savings for companies. Validus and some brokers household proxy materials, delivering a single proxy statement to multiple shareholders sharing an address unless contrary instructions have been received from the affected shareholders. Once you have received notice from your broker or Validus that they or we will be householding materials to your address, householding will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in householding and would prefer to receive a separate proxy statement, or if you currently receive multiple proxy statements and would prefer to participate in householding, please notify your broker if your shares are held in a brokerage account or Validus if you hold registered shares. You can notify Validus by sending a written request to Validus Holdings, Ltd., Attention: Investor Relations, 17 Par-La-Ville Road, Hamilton HM11 Bermuda.

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WHERE YOU CAN FIND MORE INFORMATION

Validus and IPC file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any reports, statements or other information that Validus and IPC file with the SEC at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference room. These SEC filings are also available to the public from the Internet worldwide website maintained by the SEC at <http://www.sec.gov>. Reports, proxy statements and other information, with respect to Validus, may also be inspected at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York, 10005, and, with respect to IPC, may also be inspected at the offices of The Nasdaq Stock Market, One Liberty Plaza, 165 Broadway, New York, NY 10006.

If you are a Validus shareholder, some of the documents previously filed with the SEC may have been sent to you, but you can also obtain any of them through Validus, the SEC or the SEC's Internet website as described above. Documents filed with the SEC are available from Validus without charge, excluding all exhibits, except that, if Validus has specifically incorporated by reference an exhibit in this proxy statement, the exhibit will also be provided without charge.

You may obtain documents filed with the SEC by requesting them in writing or by telephone from Validus at the following addresses:

VALIDUS HOLDINGS, LTD.

19 Par-La-Ville Road

Hamilton HM11

Bermuda

(441) 278-9000

Attention: Jon Levenson

If you would like to request documents, in order to ensure timely delivery, you must do so at least ten business days before the date of the meeting. This means you must request this information no later than _____, 2009. Validus will mail properly requested documents to requesting shareholders by first class mail, or another equally prompt means, within one business day after receipt of such request.

You can also get more information by visiting Validus' website at <http://www.validusre.bm> and IPC's website at <http://www.ipcre.bm>.

Materials from these websites and other websites mentioned in this proxy statement are not incorporated by reference in this proxy statement. If you are viewing this proxy statement in electronic format, each of the URLs mentioned in this proxy statement is an active textual reference only.

The SEC allows Validus to incorporate by reference information in this proxy statement, which means that Validus can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be a part of this proxy statement, except for any information that is superseded by information included directly in this proxy statement.

The documents listed below that Validus and IPC have previously filed with the SEC are considered to be a part of this proxy statement. They contain important business and financial information about the companies:

Validus Filings

(Commission File No. 001-33606)

Annual Report on Form 10-K

For the fiscal year ended December 31, 2008

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**SCHEDULE I
INFORMATION CONCERNING DIRECTORS AND OFFICERS
OF VALIDUS AND VALIDUS LTD.**

1. Directors and Participant Executive Officers of Validus.

The following table sets forth certain information with respect to each director and Participant executive officer of Validus and each other employee of Validus that is a Participant in the solicitation. Unless otherwise indicated, the current business address of each person is 19 Par-La-Ville Road, Hamilton HM11, Bermuda and the current business telephone number is (441) 278-9000. Unless otherwise indicated, each such person is a citizen of the United States, and each occupation set forth opposite an individual's name refers to employment with Validus.

DIRECTORS

Name and Current Business Address	Present Principal Occupation or Employment, Material Positions Held During the Past Five Years and Business Address Thereof, Citizenship
Edward J. Noonan	Mr. Noonan has been Chairman of the Board and the Chief Executive Officer of Validus since its formation. He has 27 years of experience in the insurance and reinsurance industry, serving most recently as the acting chief executive officer of United America Indemnity Ltd. (Nasdaq: INDM) from February 2005 through October 2005 and as a member of the board of directors from December 2003 to May 2007. Mr. Noonan served as president and chief executive officer of American Re-Insurance Company from 1997 to 2002, having joined American Re in 1983. Mr. Noonan also served as chairman of Inter-Ocean Reinsurance Holdings of Hamilton, Bermuda from 1997 to 2002. Prior to joining American Re, Mr. Noonan worked at Swiss Reinsurance from 1979 to 1983.
Matthew J. Grayson	Mr. Grayson has been a Director of Validus since its formation. He also serves as a senior principal of Aquiline. Mr. Grayson has 24 years experience in the financial services industry. In 1998, following a career in investment banking, corporate finance and capital markets, Mr. Grayson co-founded Venturion Capital, a private equity firm that specialized in global financial services companies. In 2005, Venturion Capital's professionals joined with Jeffrey W. Greenberg, among others, to form Aquiline. Mr. Grayson serves on the board of Structured Credit Holdings Plc and has served as Director of Tygris Commercial Finance Group since May of 2008. In 2007, Structured Credit Holdings successfully completed a scheme of arrangement in the Irish High Court with its creditors.
Jeffrey W. Greenberg	Mr. Greenberg has been a Director of Validus since its formation. He also serves as the managing principal of Aquiline, which he founded in 2005. Mr. Greenberg served as chairman and chief executive officer of Marsh & McLennan Companies, Inc. from 2000 to 2004. From 1996 to 2004, Mr. Greenberg was the chairman of MMC Capital, the manager of the Trident Funds. He previously served as a director of Ace, Inc. Previously, he served as a senior executive of AIG, where he was employed from 1978 to 1995. Mr. Greenberg is also Chairman of Group Ark Insurance

Holdings Ltd., a Bermuda-based underwriter of insurance and reinsurance risks in the Lloyd's market.

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Name and Current Business Address	Present Principal Occupation or Employment, Material Positions Held During the Past Five Years and Business Address Thereof, Citizenship
John J. Hendrickson	Mr. Hendrickson has been a Director of Validus since its formation. He is also the Founder and Managing Partner of SFRi LLC, an independent investment and advisory firm (formed in 2004) specializing in the insurance industry. From 1995 to 2004, Mr. Hendrickson held various positions with Swiss Re, including as Member of the Executive Board, Head of Capital Partners (Swiss Re's Merchant Banking Division), Co-Founding Partner of Securities Capital, a private equity firm, and Managing Director of Fox-Pitt Kelton, Swiss Re's Investment Banking Subsidiary. From 1985 to 1995, Mr. Hendrickson was with Smith Barney, the U.S. investment banking firm, where he focused on serving the capital and strategic needs of (re)insurance clients and private equity investors active in the insurance sector. Mr. Hendrickson has served as a director for several insurance and financial services companies, and, in addition to Validus, currently serves on the board of CX Reinsurance Company Limited and Tawa PLC.
Sander M. Levy	Mr. Levy has been a Director of Validus since its formation. He also serves as a Managing Director of Vestar Capital Partners, a private equity investment firm based in New York which manages over \$7 billion of equity capital, and was a founding partner of Vestar Capital Partners at its inception in 1988. Mr. Levy is currently a member of the board of directors of Symetra Financial Corporation, Wilton Re Holdings Limited and Duff & Phelps, LLC.
Jean-Marie Nessi	Mr. Nessi has been a Director of Validus since its formation. He has also served as a director of Matmut Enterprises since 2007. Mr. Nessi also has served as the head of Aon Global Risk Consulting at Aon France since October 2007. Mr. Nessi served as Chairman and CEO of NessPa Holding from January 2006 to September 2007 and as the head of the property and casualty business unit for PartnerRe Global, a subsidiary of PartnerRe SA, from 2003 to January 2006. He was appointed Chairman of PartnerRe SA in June of 2003. Prior to PartnerRe, Mr. Nessi led AXA Corporate Solutions, the successor company to AXA Ré and AXA Global Risk. Mr. Nessi is a citizen of France.
Mandakini Puri	Ms. Puri has been a Director of Validus since its formation. She also serves as a Senior Vice President with Merrill Lynch Global Private Equity, where she is the Chief Investment Officer. Ms. Puri has been part of Merrill Lynch's private equity business since 1994, prior to which she was a Director in the High Yield Finance & Restructuring Group at Merrill. Ms. Puri joined Merrill Lynch in 1986. Ms. Puri is a member of the board of directors of PSi Technologies Holdings, Inc.
Sumit Rajpal	Mr. Rajpal has been a director of Validus since November 2008. He is also a managing director of Goldman, Sachs & Co. He joined Goldman,

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Sachs & Co. in 2000 and became a managing director in 2007. Mr. Rajpal also serves as a director on the boards of HealthMarkets, Inc., USI Holdings Corporation, CSI Entertainment, Alliance Films Holdings Inc., CW Media Holdings, Inc. and Dollar General Corporation (where he is an observer on the board).

George P. Reeth

Mr. Reeth has been President and Deputy Chairman of Validus since its formation and has senior operating and distribution responsibilities.

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Name and Current Business Address	Present Principal Occupation or Employment, Material Positions Held During the Past Five Years and Business Address Thereof, Citizenship
	<p>Mr. Reeth, who has 30 years experience in the insurance and reinsurance industry, was a senior executive with Willis Group Limited from 1992 to 2005 and was chairman and chief executive officer of North American Reinsurance Operations for Willis Re Inc. from 2000 to 2005. Prior to Willis, Mr. Reeth was executive vice president at Wilcox, Inc. Prior to Wilcox, Mr. Reeth was a senior professional with E.W. Payne Intermediaries from 1986 to 1988 and with Intere Intermediaries, Inc.</p>
Alok Singh	<p>Mr. Singh has been a Director of Validus since its formation. He also serves as a Managing Director of New Mountain Capital, a private equity investment firm based in New York which manages over \$7 billion of equity capital. Prior to joining New Mountain Capital in 2002, Mr. Singh served as a Partner and Managing Director of Bankers Trust from 1978 to 2001. In 2001 he established the Corporate Financial Advisory Group for the Americas for Barclays Capital, and led the group until 2002. Mr. Singh is non-executive chairman of Overland Solutions, Inc. and a director of Apptis, Inc., Deltek, Inc, and Ikaria Holdings, Inc.</p>
Christopher E. Watson	<p>Mr. Watson has been a Director of Validus since its formation. He also serves as a senior principal of Aquiline, which he joined in 2006. Mr. Watson has more than 33 years of experience in the financial services industry. From 1987 to 2004, Mr. Watson served in a variety of executive roles within the property & casualty insurance businesses of Citigroup and its predecessor entities. From 1995 to 2004, Mr. Watson was president and chief executive officer of Gulf Insurance Group, one of the largest surplus lines insurance companies in the world. Mr. Watson served as a senior executive of AIG from 1974 to 1987. Mr. Watson is also a director of Group Ark Insurance Holdings Ltd., a Bermuda-based underwriter of insurance and reinsurance risks in the Lloyd's market.</p>

PARTICIPANT EXECUTIVE OFFICERS

Name and Current Business Address	Present Principal Occupation or Employment, Material Positions Held During the Past Five Years and Business Address Thereof, Citizenship
Edward J. Noonan	<p>Mr. Noonan has been Chairman of the Board and the Chief Executive Officer of Validus since its formation. He has 27 years of experience in the insurance and reinsurance industry, serving most recently as the acting chief executive officer of United America Indemnity Ltd. (Nasdaq: INDM) from February 2005 through October 2005 and as a member of the board of directors from December 2003 to May 2007. Mr. Noonan served as president and chief executive officer of American Re-Insurance Company from 1997 to 2002, having joined American Re in 1983. Mr. Noonan also served as chairman of Inter-Ocean Reinsurance Holdings of Hamilton, Bermuda from 1997 to 2002. Prior to joining</p>

American Re, Mr. Noonan worked at Swiss Reinsurance from 1979 to 1983.

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Name and Current Business Address	Present Principal Occupation or Employment, Material Positions Held During the Past Five Years and Business Address Thereof, Citizenship
Joseph E. (Jeff) Consolino	Mr. Consolino has been Executive Vice President and Chief Financial Officer of Validus since March 2006. He has over 16 years of experience in the financial services industry, specifically in providing investment banking services to the insurance industry, and most recently served as a managing director in Merrill Lynch's Financial Institutions Group specializing in insurance company advisory and financing transactions. He serves as a Director of National Interstate Corporation, a property and casualty company based in Ohio, and of AmWINS Group, Inc., a wholesale insurance broker based in North Carolina.

2. Directors and Participant Executive Officers of Validus Ltd.

The following table sets forth certain information with respect to each director and each participant executive officer of Validus Ltd. Unless otherwise indicated, the current business address of each person is 19 Par-La-Ville Road, Hamilton HM11, Bermuda and the current business telephone number is (441) 278-9000. Unless otherwise indicated, each such person is a citizen of the United States.

DIRECTORS

Name and Current Business Address	Present Principal Occupation or Employment, Material Positions Held During the Past Five Years and Business Address Thereof, Citizenship
Stuart W. Mercer	Mr. Mercer has been a director of Validus Ltd. since its formation. Mr. Mercer's principal occupation is executive vice president and chief risk officer of Validus. Mr. Mercer has over 18 years of experience in the financial industry focusing on structured derivatives, energy finance and reinsurance. Previously, Mr. Mercer was a senior advisor to DTE Energy Trading.
C. Jerome Dill	Mr. Dill has been a director of Validus Ltd. since its formation. Mr. Dill's principal occupation is executive vice president and general counsel of Validus. Prior to joining Validus, Mr. Dill was a partner with the law firm of Appleby Hunter Bailhache, which he joined in 1986. Mr. Dill serves on the Board of Directors of Bermuda Commercial Bank.
Conan M. Ward	Mr. Ward has been a director of Validus Ltd. since its formation. Mr. Ward's principal occupation is executive vice president and chief underwriting officer of Validus Reinsurance, Ltd. Mr. Ward has over 16 years of insurance industry experience. Mr. Ward was executive vice president of the Global Reinsurance division of Axis Capital Holdings, Ltd. from November 2001 until November 2005, where he oversaw the division's worldwide property catastrophe, property per risk, property pro rata portfolios. He is one of the founders of Axis Specialty, Ltd and was a member of the Operating Board and Senior Management Committee of Axis Capital. From July 2000 to November 2001, Mr. Ward was a senior vice president at Guy Carpenter & Co.

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PARTICIPANT EXECUTIVE OFFICERS

Name and Current Business Address	Present Principal Occupation or Employment, Material Positions Held During the Past Five Years and Business Address Thereof, Citizenship
Edward J. Noonan	Mr. Noonan has been Chief Executive Officer of Validus Ltd. since its formation. Mr. Noonan's principal occupation is chief executive officer and chairman of Validus. For biographical information, see 1. Directors and Participant Executive Officers of Validus above.
Joseph E. (Jeff) Consolino	Mr. Consolino has been Chief Financial Officer and Executive Vice President of Validus Ltd. since its formation. Mr. Consolino's principal occupation is executive vice president and chief financial officer of Validus. For biographical information, see 1. Directors and Participant Executive Officers of Validus above.

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Annex A

AGREEMENT AND PLAN OF AMALGAMATION

Dated as of March 31, 2009

Between

IPC HOLDINGS, LTD.,
VALIDUS HOLDINGS, LTD.

And

VALIDUS LTD.

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AGREEMENT AND PLAN OF AMALGAMATION, dated as of March 31, 2009 (this Agreement), between IPC HOLDINGS, LTD., a Bermuda exempted company (IPC), VALIDUS HOLDINGS, LTD., a Bermuda exempted company (Validus) and VALIDUS LTD., a Bermuda exempted company and a wholly owned subsidiary of Validus (Amalgamation Sub).

WHEREAS, the board of directors of IPC has adopted this Agreement and the Amalgamation Agreement (as defined in Section 1.1) and authorized and approved the amalgamation of IPC with Amalgamation Sub upon the terms and subject to the conditions set forth herein (the Amalgamation), authorized and approved the IPC Bye-Law Amendment (as defined in Section 3.9(a)) and deems it fair to, advisable to and in the best interests of IPC to enter into this Agreement and to consummate the Amalgamation and the other transactions contemplated hereby;

WHEREAS, the board of directors of Validus has adopted this Agreement, authorized and approved the issuance of Validus Common Shares (as defined in Section 2.1(a)) in the Amalgamation (the Share Issuance) and deems it fair, advisable and in the best interests of Validus to enter into this Agreement and to consummate the Share Issuance and the other transactions contemplated hereby;

WHEREAS, the board of directors of Amalgamation Sub has adopted this Agreement, authorized and approved the Amalgamation, and deems it advisable and in the best interests of Amalgamation Sub to enter into this Agreement and to consummate the Amalgamation and the other transactions contemplated hereby;

WHEREAS, this Agreement is being entered into in accordance with the Bermuda Companies Act of 1981, as amended (the Companies Act);

WHEREAS, IPC, Validus, and Amalgamation Sub desire to make certain representations, warranties and agreements in connection with the Amalgamation and also to prescribe various conditions to the Amalgamation; and

WHEREAS, it is intended that this Agreement shall constitute a plan of reorganization, within the meaning of Section 354 of the Internal Revenue Code of 1986, as amended (the Code).

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements set forth herein, the parties agree as follows:

ARTICLE I

THE AMALGAMATION

1.1 The Amalgamation; Effective Time. Subject to the provisions of this Agreement and the amalgamation agreement attached as Exhibit A (the Amalgamation Agreement), Amalgamation Sub and IPC will cause an application for registration of an amalgamated company (the Amalgamation Application) to be prepared, executed and delivered to the Registrar of Companies in Bermuda (the Registrar) as provided under S.108 of the Companies Act on or prior to the Closing Date and will cause the Amalgamation to become effective pursuant to the Companies Act. The Amalgamation shall become effective upon the issuance of a Certificate of Amalgamation by the Registrar or such other time as the Certificate of Amalgamation may provide. The parties agree that they will request the Registrar provide in the Certificate of Amalgamation that the Effective Time will be the time when the Amalgamation Application is filed with the Registrar or another time mutually agreed by the parties (the Effective Time).

1.2 Closing. The closing of the Amalgamation (the Closing) will take place at 10:00 a.m. on the date (the Closing Date) that is the third business day after the satisfaction or waiver

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(if such waiver is permitted and effective under applicable Law (as defined in Section 3.5(a)) of the latest to be satisfied or waived of the conditions set forth in ARTICLE VI (excluding conditions that, by their terms, are to be satisfied on the Closing Date), unless another time or date is agreed to in writing by the parties. The Closing shall be held at the offices of Cahill Gordon & Reindel llp, 80 Pine Street, in New York, NY, unless another place is agreed to in writing by the parties.

1.3 Effects of the Amalgamation. As of the Effective Time, subject to the terms and conditions of this Agreement and the Amalgamation Agreement, IPC shall be amalgamated with Amalgamation Sub and the amalgamated company (the Amalgamated Company) shall continue after the Amalgamation. The parties acknowledge and agree that for purposes of Bermuda Law (a) the Amalgamation shall be effected so as to constitute an amalgamation and (b) the Amalgamated Company shall be deemed to be an amalgamated company in accordance with section 104 of the Companies Act. Under Section 109 of the Companies Act, from and after the Effective Time: (i) the Amalgamation of IPC and Amalgamation Sub and their continuance as one company shall become effective; (ii) the property of each of IPC and Amalgamation Sub shall become the property of Amalgamated Company; (iii) Amalgamated Company shall continue to be liable for the obligations and liabilities of each of IPC and Amalgamation Sub; (iv) any existing cause of action, claim or liability to prosecution shall be unaffected; (v) a civil, criminal or administrative action or proceeding pending by or against IPC or Amalgamation Sub may be continued to be prosecuted by or against Amalgamated Company; and (vi) a conviction against, or ruling, order or judgment in favor of or against, IPC or Amalgamation Sub may be enforced by or against Amalgamated Company.

1.4 Amalgamated Company Bye-laws. The bye-laws of the Amalgamated Company shall be the bye-laws of the Amalgamation Sub.

1.5 [Reserved].

1.6 Directors and Officers of the Amalgamated Company.

(a) The parties hereto shall take all actions necessary so that the board of directors of Amalgamation Sub at the Effective Time shall, from and after the Effective Time, be the directors of the Amalgamated Company until the earlier of their resignation or removal or until their respective successors are duly elected or appointed.

(b) The parties hereto shall take all actions necessary so that the officers of Amalgamation Sub at the Effective Time shall, from and after the Effective Time, be the officers of the Amalgamated Company until the earlier of their resignation or removal or until their respective successors are duly elected or appointed.

1.7 Amalgamated Company Name. IPC and Validus shall take all actions reasonably necessary so that immediately after the Effective Time the name of the Amalgamated Company shall be Validus Ltd.

ARTICLE II

CONVERSION OF IPC SECURITIES; EXCHANGE OF CERTIFICATES

2.1 Effect on Share Capital. Subject to the terms and conditions of this Agreement, at the Effective Time, by virtue of the Amalgamation and without any action on the part of the holder of any common shares in IPC, each having a par value of \$0.01 (each, an IPC Common Share), as evidenced by way of entry in the register of shareholders of IPC (the IPC Share Register) or by share

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certificates registered in the name of a shareholder and representing outstanding IPC Common Shares (each, a IPC Certificate):

(a) Conversion of IPC Common Shares. Each IPC Common Share, issued and outstanding immediately prior to the Effective Time (other than Dissenting Shares) shall be cancelled and converted into the right to receive shares in the share capital of Validus, each having a par value of \$0.175 (each, a Validus Common Share) equal to 1.2037 (the Exchange Ratio) (the Exchange Ratio, together with any cash paid in lieu of fractional shares in accordance with Section 2.2(e), the Amalgamation Consideration). Upon such conversion, each IPC Common Share shall be cancelled and each holder of shares registered in the IPC Share Register or holding a valid IPC Certificate immediately prior to the Effective Time shall thereafter cease to have any rights with respect to such shares except the right to receive the Amalgamation Consideration. The Amalgamation Consideration shall be appropriately adjusted to reflect fully the effect of any stock split, reverse stock split, stock dividend (including any dividend or distribution of securities convertible into Validus Common Shares or IPC Common Shares), reorganization, recapitalization, reclassification or other like change with respect to Validus Common Shares or IPC Common Shares having a record date on or after the date hereof and prior to the Effective Time.

(b) Cancellation of Validus-Owned Securities. Notwithstanding anything in this Agreement to the contrary, all IPC Common Shares that are owned by Validus or by any subsidiary of Validus immediately prior to the Effective Time shall, by virtue of the Amalgamation, and without any action on the part of the holder thereof, automatically be cancelled and retired without any conversion thereof and shall cease to exist, and no payment shall be made in respect thereof.

(c) Shares of Dissenting Shareholders. Notwithstanding anything in this Agreement to the contrary, any issued and outstanding IPC Common Shares held by a person who did not vote in favor of the Amalgamation and who complies with all the provisions of the Companies Act concerning the right of holders of IPC Common Shares to require appraisal of their IPC Common Shares pursuant to Bermuda Law (such shareholder, a Dissenting Shareholder , and such shares, Dissenting Shares) shall, at the Effective time, be cancelled and converted into the right to receive the Amalgamation Consideration as described in Section 2.1(a), and the right to receive the excess thereof, if any, as appraised by the Supreme Court of Bermuda under Section 106 of the Companies Act. In the event that a Dissenting Shareholder fails to perfect, effectively withdraws or otherwise waives any right to appraisal, its IPC Common Shares shall be cancelled and converted as of the Effective Time into the right to receive the Amalgamation Consideration for each such Dissenting Share. IPC shall give Validus (i) prompt notice of (A) any written demands for appraisal of Dissenting Shares or withdrawals of such demands received by IPC and (B) to the extent that IPC has actual knowledge, any applications to the Supreme Court of Bermuda for appraisal of the fair value of the Dissenting Shares, and (ii) the opportunity to participate with IPC in all negotiations and proceedings with respect to any demands for appraisal under the Companies Act. Neither IPC nor Validus shall, without the prior written consent of the other party (not to be unreasonably withheld or delayed), voluntarily make any payment with respect to, or settle, offer to settle or otherwise negotiate, any such demands.

2.2 Exchange Procedures.

(a) Exchange Agent. Prior to the Effective Time, Validus shall designate an exchange agent reasonably acceptable to IPC (the Exchange Agent) for the purpose of exchanging IPC Common Shares outstanding immediately prior to the Effective Time. Prior to or at the Effective Time, Validus shall deposit, or shall cause to be deposited, with the Exchange Agent in accordance with this

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ARTICLE II, certificates, or at Validus's option, shares in book entry form representing the Validus Common Shares to be exchanged in the Amalgamation, cash in an amount sufficient to pay any cash payable in lieu of fractional shares pursuant to Section 2.2(e) and any dividends or distributions to which the shareholders of IPC may be entitled pursuant to Section 2.2(c). Such Amalgamation Consideration and cash so deposited are hereinafter referred to as the Exchange Fund. No interest shall be paid or accrued for the benefit of holders of the IPC Certificates on cash amounts payable upon the surrender of such certificates pursuant to this Section 2.2.

(b) Exchange Procedures. As promptly as practicable following the Effective Time, Validus or the Amalgamated Company shall cause the Exchange Agent to mail, to each shareholder of IPC, (i) a letter of transmittal (which shall be in such form and have such other provisions as the parties may reasonably specify) and (ii) where applicable, instructions for use in effecting the surrender of IPC Certificates, to the extent available and in issue, in exchange for the Amalgamation Consideration. After the Effective Time, upon surrender of title to the IPC Common Shares previously held by a shareholder of IPC in accordance with this Section 2.2, together with such letter of transmittal duly executed if such shareholder holds IPC Certificates, and such other documents as the Exchange Agent may reasonably require, a holder of IPC Common Shares shall be entitled to receive in exchange therefor a certificate or book-entry representing that number of whole Validus Common Shares and any cash in lieu of fractional shares that such shareholder has the right to receive pursuant to this ARTICLE II, and any IPC Certificate surrendered in respect thereof shall forthwith be marked as cancelled. In the event of a transfer of ownership of IPC Common Shares that is not registered in the transfer records of IPC, a certificate or book-entry representing the proper number of Validus Common Shares may be issued to a transferee if the IPC Certificate representing such IPC Common Shares (if any) is presented to the Exchange Agent, accompanied by all documents required to evidence and effect such transfer and by evidence that any applicable stock transfer taxes have been paid.

(c) Distributions with Respect to Unexchanged Shares. No dividends or other distributions declared or made with respect to Validus Common Shares with a record date on or after the Effective Time shall be paid to any shareholder of IPC holding any unsurrendered IPC Certificate with respect to the Validus Common Shares represented thereby, nor shall the cash payment in lieu of fractional shares be paid to any such shareholder pursuant to Section 2.2(e), until such shareholder shall surrender such IPC Certificate in accordance with the procedures set forth in this ARTICLE II. Following the surrender of any such IPC Certificate in accordance with the procedures set forth in this ARTICLE II, such shareholder shall be entitled to receive, in addition to the consideration set forth in Section 2.1(a), without interest, (i) at the time of such surrender, the amount of any dividends or other distributions with a record date on or after the Effective Time theretofore paid (but withheld pursuant to the immediately preceding sentence) with respect to such whole Validus Common Shares which a shareholder of IPC holding such IPC Certificate is entitled to receive hereunder, and (ii) at the appropriate payment date, the amount of dividends or other distributions with a record date after the Effective Time but prior to surrender and a payment date subsequent to surrender payable with respect to such whole Validus Common Shares which such shareholder is entitled to receive hereunder.

(d) No Further Rights in IPC Common Shares. All Amalgamation Consideration paid or issued upon the surrender of title to IPC Common Shares in accordance with the terms of this ARTICLE II (including any cash paid pursuant to this ARTICLE II) shall be deemed to have been issued (and paid) in full satisfaction of all rights pertaining to the shareholders of IPC, in their capacity as shareholders of IPC prior to the Effective Time. There shall be no further registration of transfers on the stock transfer books of the Amalgamated Company of the IPC Common Shares which were outstanding immediately prior to the Effective Time. If, after the Effective Time, IPC Certificates are presented to Validus or to the Amalgamated Company or to the Exchange Agent for any reason, they shall be marked as cancelled and exchanged in accordance with this ARTICLE II, except as otherwise required by Law.

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(e) No Fractional Shares. Notwithstanding anything in this Agreement to the contrary, no fraction of a Validus Common Share will be issued in connection with the Amalgamation, and in lieu thereof any shareholder of IPC who would otherwise have been entitled to a fraction of a Validus Common Share, shall be paid upon surrender of title to IPC Common Shares for exchange (and after taking into account and aggregating IPC Common Shares represented by all IPC Certificates surrendered by such holder, or as set out in the IPC Share Register, as applicable) cash in an amount (without interest) equal to the product obtained by multiplying (i) the fractional share interest to which such shareholder (after taking into account and aggregating all IPC Common Shares represented by all IPC Certificates surrendered by such shareholder or as set out in the IPC Share Register, as applicable) would otherwise be entitled by (ii) the Average Validus Share Price (as defined in Section 8.13(a)).

(f) Lost, Stolen or Destroyed Certificates. In the event any IPC Certificates shall have been lost, stolen or destroyed, the Exchange Agent shall issue in exchange for such lost, stolen or destroyed certificates, upon the making of an affidavit of that fact by the holder thereof, the Amalgamation Consideration and any dividends or other distributions as may be required pursuant to this ARTICLE II in respect of the IPC Common Shares represented by such lost, stolen or destroyed certificates; provided that Validus may, in its reasonable discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificates to deliver a bond in such sum as it may reasonably direct as indemnity against any claim that may be made against Validus or the Exchange Agent with respect to the certificates alleged to have been lost, stolen or destroyed.

(g) Termination of Exchange Fund. Unless a longer period is prescribed by applicable Law or Validus's agreement with the Exchange Agent, any portion of the Exchange Fund that remains undistributed to the shareholders of IPC for six months after the Effective Time shall be delivered to Validus, upon demand, and any shareholders of IPC who have not theretofore complied with this ARTICLE II shall thereafter look only to Validus for payment of their claim for the Amalgamation Consideration and any dividends or distributions with respect to Validus Common Shares.

(h) No Liability. To the extent allowed under applicable Law, any Amalgamation Consideration and any dividends or distributions with respect to Validus Common Shares comprising the Amalgamation Consideration that remain undistributed to the shareholders of IPC shall be delivered to and become the property of Validus on the day immediately prior to the day that such property is required to be delivered to any public official pursuant to any applicable abandoned property, escheat or similar Law. None of Validus, Amalgamation Sub, Amalgamated Company or the Exchange Agent shall be liable to any shareholder of IPC for any such property delivered to Validus or to a public official pursuant to any applicable abandoned property, escheat or similar Law.

(i) Withholding. The Exchange Agent, Validus and the Amalgamated Company shall be entitled to deduct and withhold from the consideration otherwise payable pursuant to this Agreement to any shareholder of IPC such amounts as it is required to deduct and withhold with respect to the making of such payment under any provision of applicable tax Law. To the extent that amounts are so withheld by the Exchange Agent, Validus or the Amalgamated Company, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the holder of the IPC Common Shares in respect of which such deduction and withholding was made. The parties agree to cooperate with each other for purposes of determining whether any taxes are required to be withheld with respect to the Amalgamation.

2.3 IPC Equity Awards.

(a) IPC Stock Options. Subject to the terms and conditions of this Agreement, at the Effective Time, by virtue of the transactions contemplated by this Agreement and without any action on

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the part of any holder of any outstanding option to purchase IPC Common Shares under any IPC Share Plan (as defined in Section 3.2(a)), whether vested or unvested, exercisable or unexercisable (each, an IPC Share Option), each IPC Share Option that is outstanding and unexercised immediately prior thereto shall cease to represent a right to acquire IPC Common Shares and shall be converted into an option (a New Option) to purchase, on the same terms and conditions as were applicable under the terms of the IPC Share Plan under which the IPC Share Option was granted and the applicable award agreement thereunder (taking into account any accelerated vesting thereunder), such number of Validus Common Shares and at an exercise price per share determined as follows:

(1) Number of Shares. The number of IPC Common Shares subject to a New Option shall be equal to the product of (A) the number of IPC Common Shares subject to such IPC Share Option immediately prior to the Effective Time and (B) the Exchange Ratio, the product being rounded, if necessary, to the nearest whole share; and

(2) Exercise Price. The exercise price per Validus Common Share purchasable upon exercise of a New Option shall be equal to (A) the per share exercise price of the IPC Share Option divided by (B) the Exchange Ratio, the quotient being rounded, if necessary, to the nearest cent.

The foregoing adjustments shall (i) in the case of any IPC Share Option that is intended to be an incentive stock option under Section 422 of the Code, be determined in a manner consistent with the requirements of Section 424(a) of the Code and (ii) in the case of any IPC Share Option that is not intended to be an incentive stock option, be determined in a manner consistent with the requirements of Section 409A of the Code.

(b) IPC Other Awards. Subject to the terms and conditions of this Agreement:

(1) at the Effective Time, by virtue of the transactions contemplated by this Agreement and without any action on the part of any holder of any outstanding right of any kind, contingent or accrued, to acquire or receive IPC Common Shares or benefits measured by the value of IPC Common Shares, each outstanding award of any kind consisting of IPC Common Shares or benefits measured by the value of IPC Common Shares (including performance share units where the performance period has ended prior to the Effective Date), in each case that may be held, awarded, outstanding, payable or reserved for issuance under any IPC Share Plan and any other IPC Benefit Plan (as defined in Section 8.13(a)), but excluding IPC Share Options and IPC performance share units for which the performance period expires on or after the Effective Time (the IPC Non-Performance Awards), shall be deemed to be converted into the right to acquire or receive benefits measured by the value of (as the case may be) the number of Validus Common Shares equal to the product (rounded, if necessary, to the nearest whole number) of (x) the number of IPC Common Shares subject to such IPC Non-Performance Award immediately prior to the Effective Time and (y) the Exchange Ratio. Except as specifically provided above, following the Effective Time, each such right shall otherwise be subject to the same terms and conditions as were applicable to the rights under the relevant IPC Share Plan or other IPC Benefit Plan and the applicable award agreement thereunder (taking into account any accelerated vesting thereunder) immediately prior to the Effective Time; and

(2) immediately prior to the Effective Time, by virtue of the transactions contemplated by this Agreement and without any action on the part of any holder of any IPC performance share unit for which the performance period expires on or after the Effective Time (each a Non-Vested PSU), the number of IPC Common Shares to which each Non-Vested PSU relates shall be calculated based on the original grant date target value of the Non-Vested PSU, as

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pro-rated on a daily basis to each year of the original vesting period (the IPC Performance Awards) and, at the Effective Time, each IPC Performance Award shall be deemed to be converted into the right to acquire or receive benefits measured by the value of (as the case may be) the number of Validus Common Shares equal to the product (rounded, if necessary, to the nearest whole number) of (x) the number of IPC Common Shares to which each IPC Performance Award relates immediately prior to the Effective Time and (y) the Exchange Ratio. Except as specifically provided above, following the Effective Time, each such right shall otherwise be subject to the same terms and conditions as were applicable to the rights under the relevant IPC Share Plan or other IPC Benefit Plan and the applicable award agreement thereunder (taking into account any accelerated vesting thereunder) immediately prior to the Effective Time. IPC Performance Awards and IPC Non-Performance Awards shall be, collectively, referred to as the IPC Other Awards.

(c) Corporate Actions. Before the Effective Time, IPC, or its board of directors or an appropriate committee thereof, shall take all action necessary on its part to give effect to the provisions of Sections 2.3(a) and (b) and shall take such other actions reasonably requested by Validus to give effect to the foregoing (including obtaining the consent of the holder of or amending the terms of any IPC Share Options, IPC Other Awards or any IPC Share Plan). IPC shall take all actions necessary to ensure that, from and after the Effective Time, none of IPC, Validus, the Amalgamated Company or any of their respective subsidiaries will be required to deliver IPC Common Shares or other capital stock of IPC to any person pursuant to or in settlement of IPC Share Options or IPC Other Awards at or after the Effective Time.

(d) Registration. If registration of any interests in the IPC Share Plans or any other IPC Benefit Plan or the Validus Common Shares issuable thereunder is required under the Securities Act, Validus shall file with the SEC within five business days after the Effective Time a registration statement on Form S-8 (or any successor or other appropriate forms) with respect to such interests of Validus Common Shares, and shall use its commercially reasonable efforts to maintain the effectiveness of such registration statement (and maintain the current status of the prospectus or the prospectuses contained therein) for so long as the relevant IPC Share Plans or other IPC Benefit Plans, as applicable, remain in effect and such registration of interests therein or the Validus Common Shares issuable thereunder continues to be required.

(e) Notice to Equity Award Holders. As soon as practicable after the Effective Time, Validus shall deliver to the holders of IPC Share Options and IPC Other Awards appropriate notices setting forth such holders' rights pursuant to any IPC Share Plan or IPC Benefit Plan and agreements evidencing such IPC Share Options and IPC Other Awards and stating that the IPC Share Plans or IPC Benefit Plans and such IPC Share Options and IPC Other Awards and agreements have been assumed by Validus and shall continue in effect on the same terms and conditions (subject to the adjustments required by this Section 2.3 after giving effect to the Amalgamation and the terms of the IPC Share Plans or IPC Benefit Plans).

ARTICLE III
REPRESENTATIONS AND WARRANTIES

Except as (i) set forth in the correspondingly identified subsection of the disclosure letter delivered by Validus to IPC simultaneously with the execution of this Agreement by Validus (the Validus Disclosure Letter) or the disclosure letter delivered by IPC to Validus simultaneously with the execution of this Agreement by IPC, which shall be identical in all respects to the Disclosure Letter delivered by IPC to Max Capital Group Ltd. at the time the IM Agreement was signed (the IPC Disclosure Letter and each of the Validus Disclosure Letter and the IPC Disclosure Letter, a Disclosure Letter), as the

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case may be, or (ii) disclosed in the relevant party's SEC Documents filed with the SEC on or after January 1, 2008 and prior to the date of this Agreement (excluding any disclosures set forth in any risk factor section or forward-looking statements contained therein), IPC hereby represents and warrants to Validus, and Validus (and Amalgamation Sub with respect to Sections 3.1(a), 3.1(c), 3.3 and 3.9(c)) hereby represents and warrants to IPC, to the extent applicable, in each case with respect to itself and its subsidiaries, as follows:

3.1 Organization, Standing and Power.

(a) Each of it and its subsidiaries is a company or other legal entity duly organized and validly existing and in good standing (with respect to jurisdictions which recognize such concept) under the Laws of its jurisdiction of incorporation or organization, has all requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted, and is duly qualified to do business in each jurisdiction in which the nature of its business or the ownership or leasing of its properties makes such qualification necessary, except where the failure to be so qualified has not had and would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

(b) The copies of its memorandum of association and bye-laws incorporated by reference in its Form 10-K for the year ended December 31, 2008, are true, complete and correct copies of such documents, are in full force and effect and have not been amended or otherwise modified, except as they may be or have been amended or otherwise modified pursuant to the IPC Bye-Law Amendment (as defined in Section 3.9(a)).

(c) Validus and Amalgamation Sub represent to IPC that: (i) true and complete copies of the memorandum of association and bye-laws of Amalgamation Sub, each as in effect as of the date of this Agreement, will be made available to IPC, upon request, within one (1) business day of the termination of the IM Agreement, (ii) Amalgamation Sub was formed by Validus solely for the purpose of effecting the Amalgamation and the other transactions contemplated by this Agreement, and (iii) Amalgamation Sub has not conducted any business prior to the date hereof and has no, and immediately prior to the Effective Time will have no, assets, liabilities or obligations of any nature other than those incident to its formation and pursuant to this Agreement.

3.2 Capital Structure.

(a) Its authorized share capital and outstanding common shares as of the date set forth in the corresponding section of its Disclosure Letter, including any shares reserved for issuance upon the exercise or payment of outstanding warrants and outstanding stock options or other equity related awards (such stock option and other equity-based award plans, agreements and programs, collectively, in the case of Validus, the Validus Share Plans and, in the case of IPC, the IPC Share Plans), is described in the corresponding section of its Disclosure Letter. In the case of Validus, none of its Common Shares are held by it or by its subsidiaries. In the case of IPC, its Common Shares that are held by it and its subsidiaries are described in the corresponding section of its Disclosure Letter. All of its outstanding Common Shares have been duly authorized and validly issued and are fully paid and non-assessable and not subject to preemptive rights. Section 3.2(a) of its Disclosure Letter sets forth a list of all warrants, options, restricted stock, restricted stock units or other equity awards outstanding as of the date hereof.

(b) From January 1, 2009 to the date hereof, it has not issued or permitted to be issued any common shares, share appreciation rights or securities exercisable or exchangeable for or convertible into shares in its or any of its subsidiaries' share capital.

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(c) It or one of its wholly-owned subsidiaries owns all of the issued and outstanding shares in the share capital of its subsidiaries, beneficially and of record, and all such shares are fully paid and nonassessable, are not subject to preemptive rights and are free and clear of any claim, lien or encumbrance.

(d) No bonds, debentures, notes or other indebtedness having the right to vote (or which are convertible into or exercisable for securities having the right to vote) on any matters on which shareholders may vote (Voting Debt) of it or any of its subsidiaries are issued or outstanding.

(e) Except for options or other equity-based awards issued or to be issued under the Validus Share Plans (in the case of Validus) or the IPC Share Plans (in the case of IPC), there are no options, warrants, calls, convertible or exchangeable securities, rights, commitments or agreements of any character to which it or any of its subsidiaries is a party or by which it or any such subsidiary is bound (i) obligating it or any of its subsidiaries to issue, deliver or sell, or cause to be issued, delivered or sold, additional shares of the share capital or any Voting Debt or other equity rights of it or any of its subsidiaries, (ii) obligating it or any of its subsidiaries to grant, extend or enter into any such option, warrant, call, convertible or exchangeable security, right, commitment or agreement or (iii) that provide the economic equivalent of an equity ownership interest in it or any of its subsidiaries.

(f) None of it or any of its subsidiaries is a party to any member or shareholder agreement, voting trust agreement or registration rights agreement relating to any equity securities of it or any of its subsidiaries or any other agreement relating to disposition, voting or dividends with respect to any equity securities of it or any of its subsidiaries. There are no outstanding contractual obligations of it or any of its subsidiaries to repurchase, redeem or otherwise acquire any shares in the share capital of it or any of its subsidiaries.

(g) Since January 1, 2009 through the date of this Agreement, it has not declared, set aside, made or paid to its shareholders dividends or other distributions on the outstanding shares in its share capital.

(h) It has not waived any voting cut-back, transfer restrictions or similar provisions of its or its subsidiaries bye-laws with respect to any of its or their shareholders, except for such waivers set forth in its bye-laws.

3.3 Authority: Non-Contravention.

(a) It has all requisite corporate power and authority to enter into this Agreement and, subject to obtaining the Required Validus Vote (as defined in Section 3.10(a)) (in the case of Validus) or the Required IPC Vote (as defined in Section 3.10(b)) (in the case of IPC), to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on its part and no other corporate proceedings on its part are necessary to authorize this Agreement and consummate the transactions contemplated hereby, subject to the Required Validus Vote (in the case of Validus) or the Required IPC Vote (in the case of IPC). This Agreement has been duly executed and delivered by it and (assuming the due authorization, execution and delivery by the other parties hereto) constitutes a valid and binding obligation of it, enforceable against it in accordance with its terms, except to the extent enforcement is limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar Laws of general applicability relating to or affecting creditors' rights and by general equitable principles.

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(b) Neither the execution and delivery of this Agreement by it nor the consummation by it of the transactions contemplated hereby, nor compliance by it with any of the terms or provisions hereof, will (i) violate any provision of the memorandum of association or bye-laws of it (as they may be or have been modified, in the case of IPC, pursuant to the IPC Bye-Law Amendment) or the memorandum of association, bye-laws or equivalent organizational documents of any of its subsidiaries or (ii) assuming that the consents, approvals, orders, authorizations, registrations, declarations and filings referred to in Section 3.3(c) are duly obtained or made, (A) violate any Law applicable to it or any of its subsidiaries or any of their respective properties or assets or (B) violate, conflict with, result in a breach of any provision of or the loss of any benefit under, constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, result in the cancellation, suspension, non-renewal or termination of or a right of termination or cancellation under, accelerate the performance required by, or result in the creation of any lien, pledge, security interest, charge or other encumbrance upon (1) any Permit (as defined in Section 3.5(a)) or (2) any of the respective properties or assets of it or any of its subsidiaries under, any of the terms, conditions or provisions of any loan or credit agreement, note, mortgage, indenture, lease, Validus Benefit Plan (as defined in Section 8.13(a)) (in the case of Validus) or IPC Benefit Plan (as defined in Section 8.13(a)) (in the case of IPC) or other agreement, obligation or instrument to which it or any of its subsidiaries is a party, or by which they or any of their respective properties or assets may be bound or affected, except (with respect to clause (ii)) for such violations, conflicts or breaches that have not had and would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

(c) No consent, approval, order or authorization of, or registration, declaration or filing with, any court, administrative agency or commission or other governmental authority, body, agency, official or instrumentality, domestic or foreign, or self-regulatory organization or other similar non-governmental regulatory body (each, a Governmental Entity), is required to be made or obtained by it or any of its subsidiaries in connection with the execution and delivery of this Agreement by it or the consummation by it of the transactions contemplated hereby, except for (i) the filing of the Amalgamation Application and related attachments with the Registrar, (ii) the written notification to the Bermuda Monetary Authority regarding Validus's acquisition of the IPC Common Shares, (iii) such other applications, filings, authorizations, orders and approvals as may be required under applicable Laws (including all applicable Insurance Laws) of any jurisdiction and any approvals thereof, which are set forth in Section 3.3(c) of its Disclosure Letter, (iv) the filing with the SEC of such registrations, prospectuses, reports and other materials as may be required in connection with this Agreement and the transactions contemplated hereby, including the Joint Proxy Statement/Prospectus (as defined in Section 5.1(a)), and the obtaining from the SEC of such orders as may be required in connection therewith, (v) compliance with any applicable requirements of NASDAQ or the NYSE, as applicable, (vi) in the case of Validus, such filings and approvals as are required to be made or obtained under the securities or Blue Sky Laws of various jurisdictions in connection with the issuance of the Validus Common Shares pursuant to this Agreement, and (vii) for any other such consent, approval, order or authorization of, or registration, declaration or filings, the failure of which to obtain or make would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

3.4 SEC Documents; Regulatory Reports; Undisclosed Liabilities.

(a) It and its subsidiaries have timely filed all required reports, schedules, registration statements and other documents with the SEC since January 1, 2008 (the SEC Documents). As of their respective dates of filing with the SEC (or, if amended or superseded by a filing prior to the date hereof, as of the date of such filing), the SEC Documents complied in all material respects with the requirements of the Securities Act of 1933, as amended (the Securities Act), or the Securities Exchange Act of 1934, as amended (the Exchange Act), as the case may be, and the rules and regulations of the SEC thereunder applicable to such SEC Documents, and none of its or its subsidiaries SEC Documents when

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filed contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The financial statements of it and its subsidiaries included in its SEC Documents complied, as of their respective dates of filing with the SEC (or, if amended or superseded by a filing prior to the date hereof, as of the date of such filing), with all applicable accounting requirements and with the published rules and regulations of the SEC with respect thereto, have been prepared in accordance with GAAP applied on a consistent basis during the periods involved (except as may be disclosed therein) and fairly present in all material respects the consolidated financial position of it and its consolidated subsidiaries and the consolidated results of operations, changes in shareholders equity and cash flows of such companies as of the dates and for the periods shown. As of the date hereof, there are no outstanding written comments from the SEC with respect to its SEC Documents.

(b) Except for (i) those liabilities that are reflected or reserved for in its consolidated financial statements included in its Annual Report on Form 10-K for the year ended December 31, 2008, as filed with the SEC prior to the date of this Agreement, (ii) liabilities and obligations incurred pursuant to this Agreement, (iii) liabilities incurred since December 31, 2008 (1) in the ordinary course of business (including claims and any related litigation or arbitration arising in the ordinary course of business under Policies (as defined in Section 3.12(g)) or (2) pursuant to any Reinsurance Agreements (as defined in Section 3.12(e)) issued or assumed, as the case may be, by one of its Insurance Entities (as defined in Section 3.12(a)) for which adequate claims reserves have been established), and (iv) liabilities which have not had and would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect, it and its subsidiaries do not have, and since December 31, 2008, it and its subsidiaries have not incurred, any liabilities or obligations of any nature whatsoever (whether accrued, absolute, contingent or otherwise and whether or not required to be reflected in its financial statements in accordance with GAAP).

3.5 Compliance with Applicable Laws and Reporting Requirements. Except as has not had and would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect:

(a) It and its subsidiaries hold in full force and effect all permits, certifications, registrations, permissions, consents, franchises, concessions, licenses, variances, exemptions, orders, approvals and authorizations of all Governmental Entities necessary for the ownership and conduct of the business of it and its subsidiaries (including any insurance licenses or permissions from insurance regulatory authorities) in each of the jurisdictions in which it or its subsidiaries currently conduct or operate its business (the Permits), and it and its subsidiaries are in compliance with the terms and requirements of its Permits and any applicable law, statute, ordinance, common law, arbitration award, or any rule, regulation, judgment, order, writ, injunction, decree, agency requirement or published interpretation of any Governmental Entity, including all relevant bye-laws and regulations of the Council and Society of Lloyd s incorporated under the Lloyd s Act of 1871 to 1982 of England and Wales (Lloyd s) in each of the jurisdictions in which it or its subsidiaries currently conduct business or operate (collectively Laws). The businesses of it and its subsidiaries have not been, and are not being, conducted in violation of any applicable Laws (including the USA PATRIOT Act of 2001, as amended, the Foreign Corrupt Practices Act, 15 U.S.C. § 78dd 1 *et seq.*, as amended (or any other similar applicable foreign, federal, or state legal requirement), anti-money laundering laws, anti-terrorism laws, all applicable requirements relating to the sale, issuance, marketing, advertising and administration of insurance products (including licensing and appointments) and all Laws regulating the business and products of insurance and all applicable orders and directives of insurance regulatory authorities (the Insurance Laws) and all applicable laws or other legal requirements relating to the retention of e-mail and other information). It and its subsidiaries have not received, at any time since January 1, 2007,

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any written notice or communication from any Governmental Entity regarding any actual, alleged, or potential violation of, or a failure to comply with, any Laws or the terms and requirements of any Permit or any actual or potential revocation, withdrawal, suspension, cancellation, modification, or termination of any Permit. All applications required to have been filed for the renewal of each Permit or other filings required to be made with respect to each Permit held by it or its subsidiaries have been duly filed on a timely basis with the appropriate Governmental Entity.

(b) It has established and maintains disclosure controls and procedures (as defined in Rule 13a-15 under the Exchange Act). Such disclosure controls and procedures are designed to ensure that material information relating to it, including its consolidated subsidiaries, is made known to its principal executive officer and its principal financial officer by others within those entities, particularly during the periods in which the periodic reports required under the Exchange Act are being prepared. Such disclosure controls and procedures are effective in timely alerting its principal executive officer and principal financial officer to material information required to be included in its periodic reports under the Exchange Act and ensure that the information required to be disclosed in its SEC Documents is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms. It and its subsidiaries maintain a system of internal controls over financial reporting sufficient to provide reasonable assurances regarding the reliability of financial reporting and the preparation of financial statements in accordance with GAAP. The records, systems, controls, data and information of it and its subsidiaries are recorded, stored, maintained and operated under means (including any electronic, mechanical or photographic process, whether computerized or not) that are under the exclusive ownership and direct control of it or its subsidiaries or accountants (including all means of access thereto and therefrom) and are held or maintained in such places as may be required under all applicable Laws (including Insurance Laws). It has disclosed, based on its most recent evaluation of internal controls prior to the date hereof, to its auditors and audit committee (i) any significant deficiencies and material weaknesses in the design or operation of internal controls which are reasonably likely to adversely affect its ability to record, process, summarize and report financial information and (ii) any fraud that involves management or other employees who have a significant role in internal controls.

(c) There are no outstanding loans or other extensions of credit made by it or any of its subsidiaries to any of its executive officers (as defined in Rule 3b-7 under the Exchange Act) or directors.

(d) Since January 1, 2007, it has complied with the applicable listing and corporate governance rules and regulations of NASDAQ (in the case of IPC) or the NYSE (in the case of Validus).

(e) Neither it nor any of its subsidiaries is a party to, or has any commitment to become a party to, any joint venture, off-balance sheet partnership or any similar contract (including any contract relating to any transaction or relationship between or among it and any of its subsidiaries, on the one hand, and any unconsolidated affiliate, including any structured finance, special purpose or limited purpose entity, on the other hand, or any off-balance sheet arrangement (as defined in Item 303(a) of Regulation S-K of the SEC)), where the result, purpose or intended effect of such contract is to avoid disclosure of any material transaction involving, or material liabilities of, it or any of its subsidiaries in the SEC Documents.

3.6 Legal and Arbitration Proceedings and Investigations. Except for litigation or arbitration arising in the ordinary course of business from claims under Policies or Reinsurance

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Agreements issued or assumed, as the case may be, by one of its Insurance Entities for which adequate claims reserves have been established, there are no claims, suits, actions, proceedings, arbitrations or other proceedings whether judicial, arbitral or administrative, civil or criminal (Legal Proceedings) pending or, to its knowledge, threatened, against it or any of its subsidiaries, any present or former officer, director or employee thereof in his or her capacity as such or any person for whom it or its subsidiaries may be liable or any of their respective properties, that, if determined or resolved adversely against it, would be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect, nor are there any writs, judgments, decrees, injunctions, rules or orders of any Governmental Entity or arbitrator binding upon it or any of its subsidiaries or any of their respective assets or properties that would be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect. To its knowledge, since January 1, 2007, there have been no formal or informal SEC inquiries, investigations or subpoenas, other Governmental Entity inquiries or investigations or internal investigations or material whistle-blower complaints pending or otherwise threatened involving it or its subsidiaries or any current or former officer or director thereof in his or her capacity as such, other than, in each case, those that if determined or resolved adversely against it would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

3.7 Taxes.

(a) All material Tax Returns (as defined in Section 8.13(a)) required by applicable Law to be filed with any Taxing Authority (as defined in Section 8.13(a)) by, or on behalf of, it or any of its subsidiaries have been filed when due (taking into account extensions of time to file) in accordance with all applicable Laws, and all such Tax Returns are true, correct and complete in all material respects. All such Tax Returns have been examined by the appropriate Taxing Authority or the period for assessment of the Taxes (as defined in Section 8.13(a)) in respect of which such Tax Returns were required to be filed has expired.

(b) There are no liens for any Taxes upon the assets of it or any of its subsidiaries, other than (i) statutory liens for Taxes not yet due and payable or (ii) liens which are being contested in good faith by appropriate proceedings, for which adequate reserves have been established on its financial statements in accordance with GAAP and Applicable SAP.

(c) It and each of its subsidiaries have paid or have withheld and remitted to the appropriate Taxing Authority all material Taxes due and payable, and have established in accordance with GAAP and Applicable SAP an adequate accrual for all material Taxes not yet due and payable.

(d) There is no claim, audit, action, suit, proceeding, examination or investigation now pending or, to its knowledge, threatened against or with respect to it or any of its subsidiaries in respect of any Tax or Tax Asset (as defined in Section 8.13(a)), and any deficiencies asserted or assessments made as a result of any claim, audit, suit, proceeding, examination or investigation have been paid in full.

(e) It and each of its subsidiaries have withheld all material amounts required to have been withheld by them in connection with amounts paid or owed to (or any benefits or property provided to) any employee, independent contractor, creditor, shareholder or any other third party; such withheld amounts were either duly paid to the appropriate Taxing Authority or set aside in accounts for such purpose. It and each of its subsidiaries have reported such withheld amounts to the appropriate Taxing Authority and to each such employee, independent contractor, creditor, shareholder or any other third party, as required under Law.

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(f) Neither it nor any of its subsidiaries is a party to a Tax allocation, sharing, indemnity or similar agreement (other than indemnities included in ordinary course employment contracts or leases) that will require any payment by it or any of its subsidiaries of any Tax of another person after the Closing Date.

(g) Neither it nor any of its subsidiaries has entered into a reportable transaction within the meaning of Treasury Regulations Section 1.6011-4, and neither it nor any of its subsidiaries has been a material advisor to any such transactions within the meaning of Section 6111 of the Code.

(h) Neither it nor any of its subsidiaries (i) has filed any extension of time within which to file any Tax Returns that have not been filed, (ii) has entered into any agreement or other arrangement waiving or extending the statute of limitations or the period of assessment or collection of any material Taxes, (iii) has granted any power of attorney that is in force with respect to any matters relating to any material Taxes, (iv) has applied for a ruling from a Taxing Authority relating to any material Taxes that has not been granted or has proposed to enter into an agreement with a Taxing Authority that is pending, or (v) has entered into any closing agreement as described in Section 7121 of the Code (or any similar provision of state, local or foreign Tax Law) or been issued any private letter rulings, technical advance memoranda or similar agreement or rulings by any Taxing Authority.

(i) None of its subsidiaries is now or has ever been a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code.

(j) Neither it nor any of its subsidiaries has agreed to, requested, or is required to include any adjustment under Section 481 of the Code (or any corresponding provision of applicable Law) by reason of a change in accounting method or otherwise.

(k) Neither it nor any of its subsidiaries has elected to be a pass-through entity for U.S. federal income tax purposes.

(l) Neither it nor any of its subsidiaries organized outside the United States, has ever been engaged in a trade or business in the United States within the meaning of Section 864(b) of the Code or has ever had a permanent establishment in the United States within the meaning of the tax treaty between the United States and Bermuda.

(m) Neither it nor any of its subsidiaries has ever been a member of an affiliated, combined, consolidated or unitary Tax group for purposes of filing any Tax Return.

(n) Neither it nor any of its subsidiaries has been a distributing corporation or a controlled corporation in a transaction intended to be governed by Section 355 of the Code.

(o) It and each of its subsidiaries currently satisfies (assuming the relevant taxable year ended on the date this representation is being given), and expects to satisfy with respect to the taxable year in which the Closing Date falls, either or both of the exceptions described in Sections 953(c)(3)(A) and (B) of the Code so that none of its United States shareholders (within the meaning of Section 953(c) of the Code) will be required to include in income any of its or its subsidiaries related person insurance income (within the meaning of Section 953(c)(2) of the Code) by operation of Sections 951(a) and 953(c)(5) of the Code.

(p) Neither it nor any of its subsidiaries has received any notice or inquiry from any Governmental Entity outside of Bermuda to the effect that any of it or its subsidiaries that are domiciled or formed in Bermuda are subject to any Tax other than excise taxes or any Tax assessed by Bermuda.

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(q) Other than as disclosed with respect to Section 3.7(l), Section 3.7(p) or this Section 3.7(q), it and each of its subsidiaries has never been subject to net basis taxation in any country, or been tax resident or tax domiciled in any country, other than the country in which it and each of its subsidiaries, respectively, is organized.

(r) Neither it nor any of its subsidiaries organized outside the United Kingdom has or has ever had a permanent establishment in the United Kingdom for United Kingdom Tax purposes.

(s) No material transaction or arrangement involving it or any of its subsidiaries has taken place or is in existence which is such that it has resulted, or is reasonably likely to result, in the income, profits or gains of it or of any subsidiary being adjusted for Tax purposes in any jurisdiction in accordance with applicable transfer pricing or thin capitalization laws.

(t) As of the date of this Agreement, neither it nor any of its subsidiaries has taken or agreed to take any action, or is aware of any agreement, plan or circumstance, that, to its knowledge, would reasonably be expected to prevent the Amalgamation from constituting a reorganization, within the meaning of Section 368(a) of the Code.

3.8 Absence of Certain Changes or Events. Since January 1, 2009, (i) there has not been any event, change, circumstance, state of facts or effect, alone or in combination, that has had or would be reasonably likely to have, individually or in the aggregate, a Material Adverse Effect and (ii) it has not taken any action or failed to take any action that would have resulted in a breach in any material respect of Section 4.1 had such section been in effect since January 1, 2009.

3.9 Board Approval.

(a) In the case of IPC, the board of directors of IPC, by resolutions duly adopted by unanimous vote at a meeting duly called and held, has (i) determined that the Amalgamation Consideration and the Exchange Ratio constitutes fair value for each IPC Common Share in accordance with the Companies Act and deemed it fair to, advisable to and in the best interests of IPC to enter into this Agreement and to consummate, the Amalgamation and the other transactions contemplated hereby, (ii) adopted this Agreement and the Amalgamation Agreement and authorized and approved the Amalgamation and the other transactions contemplated by this Agreement and (iii) recommended that the shareholders of IPC vote in favor of matters constituting the Required IPC Vote (as defined in Section 3.10(b)) (the IPC Recommendation) and (iv) determined that the amendments to IPC's bye-laws set forth in Exhibit E (the IPC Bye-Law Amendment) are advisable to and in the best interests of IPC, and directed that such matters be submitted for consideration by IPC shareholders at the IPC Shareholders Meeting (as defined in Section 5.1(c)).

(b) In the case of Validus, the board of directors of Validus, by resolutions duly adopted unanimously, has (i) deemed it fair to, advisable and in the best interests of Validus to enter into this Agreement and to consummate the Share Issuance and the other transactions contemplated hereby, (ii) adopted this Agreement and authorized and approved the Share Issuance, and (iii) recommended that the shareholders of Validus vote in favor of the matters constituting the Required Validus Vote (the Validus Recommendation) and directed that such matters be submitted for consideration by Validus shareholders at the Validus Shareholders Meeting (as defined in Section 5.1(b)).

(c) In the case of Validus, the board of directors of Amalgamation Sub, by unanimous written consent without a meeting, has (i) determined that this Agreement and the Amalgamation are advisable and in the best interests of Amalgamation Sub and its sole shareholder, (ii) adopted this Agreement and authorized and approved the Amalgamation and (iii) recommended that the sole shareholder

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of Amalgamation Sub approve such matters. The sole shareholder of Amalgamation Sub has approved this Agreement, the Amalgamation and the other transactions contemplated hereby.

3.10 Vote Required.

(a) In the case of Validus, the affirmative vote of a majority of the votes cast at a meeting of the shareholders of Validus at which a quorum is present in accordance with the bye-laws of Validus to approve the Share Issuance (the Required Validus Vote) is the only vote of the holders of any class or series of Validus capital stock necessary to consummate the transactions contemplated hereby.

(b) In the case of IPC, the affirmative vote of a majority of the votes cast at a meeting of the shareholders of IPC at which a quorum is present in accordance with the bye-laws of IPC, in each case, to approve the IPC Bye-Law Amendment and, assuming approval of the IPC Bye-Law Amendment, adopt this Agreement and approve the Amalgamation (provided, however, if the IPC Bye-Law Amendment is not approved, the affirmative vote of three-fourths of the votes cast at such meeting shall be required to adopt this Agreement and approve the Amalgamation) (the Required IPC Vote and, together with the Required Validus Vote, the Required Shareholder Votes) is the only vote of the holders of any class or series of IPC share capital necessary to approve this Agreement and consummate the transactions contemplated hereby (including the Amalgamation).

3.11 Agreements with Regulators. Except as required by Insurance Laws of general applicability and the insurance licenses maintained by its Insurance Entities or as does not have and would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect, there are no written agreements, memoranda of understanding, commitment letters or similar undertakings binding on it or any of its subsidiaries or to which it or any of its subsidiaries is a party, on one hand, and any Governmental Entity is a party or addressee, on the other hand, or any orders or directives by, or supervisory letters or cease-and-desist orders from, any Governmental Entity, nor has it nor any of its subsidiaries adopted any board resolution at the request of any Governmental Entity, in each case specifically with respect to it or any of its subsidiaries, which (a) limit the ability of it or any of its Insurance Entities to issue Policies or enter into Reinsurance Agreements; (b) require any divestiture of any investment of any subsidiary; (c) in any manner relate to the ability of any of its subsidiaries to pay dividends; (d) require any investment of its Insurance Entities to be treated as non-admitted assets (or the local equivalent) or (e) otherwise restrict the conduct of business of it or any subsidiary, nor has it been advised by any Governmental Entity that it is contemplating any such undertakings.

3.12 Insurance Matters.

(a) Each of its subsidiaries which by virtue of its operations and activities is required to be licensed as an insurance company, insurance intermediary, Lloyd s corporate member or Lloyd s managing agent (collectively, the Insurance Entities) is listed in Section 3.12 of its Disclosure Letter, together with the jurisdiction of domicile thereof. None of its Insurance Entities is commercially domiciled in any other jurisdiction or is otherwise treated as domiciled in a jurisdiction other than that of its incorporation. It conducts all of its insurance operations that are required to be conducted through a licensed insurance company or insurance intermediary, through its Insurance Entities, each of which is duly licensed or authorized as an insurance company, and/or, where applicable, a reinsurer, insurance intermediary, Lloyd s corporate member or Lloyd s managing agent, in its jurisdiction of incorporation and each other jurisdiction where it is required to be so licensed or authorized and is duly licensed or authorized in each such jurisdiction for each line of business written therein, except where the failure to so conduct its insurance operations or the failure of its Insurance Entities to be so licensed or authorized has not had and would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

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(b) Since January 1, 2007, each of its Insurance Entities has timely filed or submitted all annual and, to the extent applicable Law requires, quarterly and other periodic statements, together with all exhibits, interrogatories, notes, schedules and any actuarial opinions, affirmations or certifications or other supporting documents in connection therewith, required to be filed with or submitted to the appropriate insurance regulatory authorities of the jurisdiction in which it is domiciled or commercially domiciled on forms prescribed or permitted by such authority (as filed through the date hereof and thereafter, collectively, the Statutory Statements), except, in each case, as has been cured or resolved to the satisfaction of such insurance regulatory authority without imposition of any material penalty or as would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect.

It will deliver or make available to the other parties, upon request, within one (1) business day of the termination of the IM Agreement, to the extent permitted by applicable Laws, (i) true and complete copies of all annual Statutory Statements filed with Governmental Entities for each of its Insurance Entities for the periods beginning January 1, 2007 through the date hereof and, once duly and timely filed, thereafter, and the quarterly Statutory Statements for each of its Insurance Entities for the quarterly periods ended September 30, 2008 through the date hereof and, once duly and timely filed, thereafter, each in the form (including exhibits, annexes and any amendments thereto) filed with the applicable insurance regulatory authority and (ii) true and complete copies of all examination reports (and has notified the other party of any pending examinations) of any insurance regulatory authorities received by it on or after January 1, 2007 through the date hereof relating to its Insurance Entities. Financial statements included in its Statutory Statements were prepared in conformity with Applicable SAP, consistently applied for the periods covered thereby, were prepared in accordance with the books and records of the applicable Insurance Entity, and present fairly in all material respects the statutory financial position of the relevant Insurance Entity as of the respective dates thereof and the results of operations, cash flows, and changes in capital and surplus (or stockholders' equity, as applicable) of such Insurance Entity for the respective periods then ended. Its Statutory Statements complied in all material respects with all applicable Laws when filed or submitted and no material violation or deficiency has been asserted in writing by any Governmental Entity with respect to any of its Statutory Statements that have not been cured or otherwise resolved to the satisfaction of such Governmental Entity. The statutory balance sheets and income statements included in its annual Statutory Statements have been audited by its independent auditors, and it has delivered or made available to the other party true and complete copies of all audit opinions related thereto for periods beginning January 1, 2007 through the date hereof. Except as is indicated therein, all assets that are reflected on its subsidiaries' Statutory Statements comply in all material respects with all applicable Insurance Laws regulating the investments of Insurance Entities and all applicable Insurance Laws with respect to admitted assets and are in amount at least equal to the minimum amount required by applicable Insurance Laws. The financial statements included in its Statutory Statement accurately reflect in all material respects the extent to which, pursuant to applicable Laws and Applicable SAP, the applicable Insurance Entity is entitled to take credit for reinsurance (or any local equivalent concept).

(c) The loss reserves and other actuarial amounts of each of its Insurance Entities contained in its Statutory Statements: (i) were determined in accordance with generally accepted actuarial standards and principles and other qualitative methods materially consistently applied (except as otherwise noted in such financial statements), (ii) complied in all material respects with applicable Laws and were computed on the basis of methodologies materially consistent with those used in computing the corresponding reserves in the prior fiscal years, except as otherwise noted in the financial statements and notes thereto included in such Statutory Statements, and (iii) include provisions for all actuarial reserves and related items which are required to be established in accordance with applicable Law. To its knowledge, no facts or circumstances exist which would necessitate any material increase in the statutorily required reserves above those reflected in the most recent balance sheet included in the Statutory Statements.

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(d) Within one (1) business day of the termination of the IM Agreement, it will, upon request, make available to the other party true and complete copies of all actuarial reports used as the basis for establishing the reserves for each of its subsidiary Insurance Entities from and after January 1, 2007, and all material attachments, addenda, supplements and modifications thereto. To its knowledge, any information and data to be furnished by it or any of its subsidiaries to independent actuaries in connection with the preparation of such actuarial reports will be accurate in all material respects. To its knowledge, such actuarial reports will have been based upon an accurate inventory of Policies and Reinsurance Agreements in force for it and its subsidiaries, as the case may be, at the relevant time of preparation and will have been prepared in conformity in all material respects with generally accepted actuarial principles and other qualitative methods in effect at such time (except as may be noted therein) and the projections contained therein will have been properly prepared in accordance with the assumptions stated therein.

(e) As of the date of this Agreement, all reinsurance or retrocession treaties or agreements, slips, binders, cover notes or other similar arrangements to which it or any of its subsidiaries is a party or under which it or any of its subsidiaries has any existing rights, obligations or liabilities (the Reinsurance Agreements) are, and after the consummation of the transactions contemplated hereby will continue to be, valid and binding obligations of it and its subsidiaries (to the extent they are parties thereto or bound thereby) and, to its knowledge, each other party thereto, in accordance with their terms and are in full force and effect, and it and each of its subsidiaries (to the extent they are party thereto or bound thereby) and, to its knowledge, each other party thereto has performed in all material respects all obligations required to be performed by it under each Reinsurance Agreement, except as has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Neither it nor any of its subsidiaries has received notice, nor does it have knowledge, of any violation or default in respect of any obligation under (or any condition which, with the passage of time or the giving of notice or both, would result in such a violation or default), or any intention to cancel, terminate or change the scope of rights and obligations under, or not to renew, any Reinsurance Agreement, except, in each case, as has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Since January 1, 2007, (i) neither it nor its subsidiaries have received any written notice from any party to a Reinsurance Agreement that any amount of reinsurance ceded by it or such subsidiary to such counterparty will be uncollectible or otherwise defaulted upon, (ii) to its knowledge, no party to a Reinsurance Agreement under which it or its subsidiary is the cedent is insolvent or the subject of a rehabilitation, liquidation, conservatorship, receivership, bankruptcy or similar proceeding, (iii) to its knowledge, the financial condition of any party to a Reinsurance Agreement under which it or its subsidiary is the cedent is not impaired to the extent that a default thereunder is reasonably anticipated, (iv) there are no disputes under any Reinsurance Agreement other than disputes in the ordinary course for which adequate loss reserves have been established and (v) its relevant subsidiary is entitled under any applicable Law and Applicable SAP to take full credit in its Statutory Statements for all amounts recoverable by it pursuant to any Reinsurance Agreement under which it is the cedent and all such amounts recoverable have been properly recorded in its books and records of account (if so accounted therefor) and are properly reflected in its Statutory Statements, except as has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(f) Except as has not had and would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect, with respect to any Reinsurance Agreement for which the ceding insurer party thereto is taking credit on its most recent Statutory Statements, to its knowledge, from and after January 1, 2007 (i) there has been no separate written or oral agreement between such ceding insurer and the assuming reinsurer that would under any circumstances reduce, limit, mitigate or otherwise affect any actual or potential loss to the parties under any such Reinsurance Agreement, other than inuring contracts that are explicitly defined in any such Reinsurance Agreement, (ii) for each such Reinsurance Agreement entered into, renewed or amended on or after January 1, 2007, for which risk transfer

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is not reasonably considered to be self-evident to the extent required by any applicable provisions of SSAP No. 62, documentation concerning the economic intent of the transaction and the risk transfer analysis evidencing the proper accounting treatment is available for review by the relevant Governmental Entities for each of it and its subsidiaries, (iii) its subsidiary that is a party thereto, and to its knowledge, any other party thereto, complies and has complied from and after January 1, 2007 with any applicable requirements set forth in SSAP No. 62, and (iv) such Insurance Entity has and had since January 1, 2007 appropriate controls in place to monitor the use of reinsurance and comply with the provisions of SSAP No. 62.

(g) All policies, policy forms, binders, slips, treaties, certificates, insurance or reinsurance contracts or participation agreements and other agreements of insurance or reinsurance, whether individual or group (including all applications, supplements, endorsements, riders and ancillary agreements in connection therewith) and all amendments, applications, brochures, illustrations and certificates pertaining thereto (the Policies), in effect as of the date of this Agreement, that are issued by it or its subsidiaries and any and all marketing materials have been, to the extent required under applicable Law, filed with or submitted to and not objected to by such Governmental Entity within the period provided for objection, and such Policies and marketing materials comply with the Insurance Laws applicable thereto and have been administered in accordance therewith, except as has not had and would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect. All premium rates established by it or its subsidiaries that are required to be filed with or submitted to or approved by Governmental Entities have been so filed, submitted or approved, the premiums charged conform thereto and such premiums comply with the Insurance Laws applicable thereto, except as has not had and would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

(h) To its knowledge, each insurance agent, general agent, agency, producer, broker, reinsurance intermediary, program manager, managing general agent and managing general underwriter currently selling, issuing or underwriting business for or on behalf of it or its subsidiaries (including it and its subsidiaries salaried employees) (each, an Agent) was duly licensed for the type of activity and business conducted or written, sold, produced, underwritten or managed. To its knowledge, each program manager, managing general agent, third party administrator or claims adjuster or manager, at the time such person managed or administered business (including without limitation the administration, handling or adjusting of claims) for or on behalf of it or its subsidiaries (each, an Administrator) was duly licensed for the type of activity conducted. To its knowledge, no Agent or Administrator has materially violated or is currently in violation in any material respect of any term or provision of any Law applicable to the writing, sale, production, underwriting or administration of business for it or its subsidiaries, except for such failures or such violations which have been cured, that have been resolved or settled through agreements with applicable Governmental Entities or that are barred by an applicable statute of limitations. Each Agent was appointed and compensated by it or its subsidiaries in compliance in all material respects with applicable Law and all processes and procedures used in making inquiries with respect of such Agent were undertaken in compliance in all material respects with applicable Law. No Agent has binding authority on behalf of it or its subsidiaries. As of the date of this Agreement, no Agent accounting individually for 1% or more of the total gross premiums of all of its Insurance Entities for the year ended December 31, 2008 has indicated to it or its subsidiaries in writing or, to its knowledge, orally that such Agent will be unable or unwilling to continue its relationship as an Agent with it or its subsidiary within twelve months after the date hereof.

(i) Each of its Insurance Entities has duly and timely filed all reports or other filings required to be filed with any insurance regulatory authority in the manner prescribed therefor under applicable Laws and Permits and no Governmental Entity has asserted any deficiency or violation with respect thereto, except as has been cured or resolved to the satisfaction of the Government Entity or except, in each case, as has not had and would not reasonably be expected to have, individually or in the aggregate,

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a Material Adverse Effect. Without limiting the foregoing, each of its and its subsidiaries' submissions, reports or other filings under applicable insurance holding company statutes or other applicable Insurance Laws with respect to contracts, agreements, arrangements and transactions between or among Insurance Entities and their affiliates, and all contracts, agreements, arrangements and transactions in effect between any subsidiary that is an Insurance Entity and any affiliate are in compliance with the requirements of all applicable insurance holding company statutes or other such Insurance Laws and all required approvals or deemed approvals of insurance regulatory authorities with respect thereto have been received or obtained, except as has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(j) Copies (which are complete and correct in all material respects) of all analyses, reports and other data prepared by or on behalf of any of its Insurance Entities or submitted by or on behalf of any such Insurance Entity to any insurance regulatory authority relating to risk based capital calculations or Insurance Regulatory Information Systems ratios will provide to the other party, upon request, within one (1) business day of the termination of the IM Agreement.

(k) Except for regular periodic assessments in the ordinary course of business, there are no material unpaid claims and assessments against it or its subsidiaries, whether or not due, by any insurance guaranty association (in connection with that association's fund relating to insolvent insurers), joint underwriting association, residual market facility or assigned risk pool. No such material claim or assessment is pending and neither it nor any subsidiary has received written notice of any such material claim or assessment against it or its subsidiaries by any insurance guaranty association, joint underwriting association, residual market facility or assigned risk pool.

(l) Since July 2, 2007, Validus and/or any of its subsidiaries which participate in Lloyd's: (i) has not participated on any Lloyd's syndicate other than syndicate 1183; (ii) has not agreed to sell, transfer or drop any of its rights to participate in a Lloyd's syndicate or offered to acquire rights to participate on a Lloyd's syndicated; (iii) has complied with the franchise standards (including principles and minimum standards, guidance and advice) issued by Lloyd's and (iv) all documents relating to the participation of it or any of its subsidiaries' participation at Lloyd's are in Lloyd's standard form and have not been amended in any way, including the standard managing agent's agreement, in each case, except as had not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(m) Since July 2, 2007: (i) all funds held on behalf of Lloyd's syndicate 1183 are held in accordance with the terms of the relevant premiums trust deed or other deposit arrangement as required by the bye-laws, regulations, codes of practice and mandatory directions and requirements governing the conduct and management of underwriting business at Lloyd's from time to time and the provisions of any deed, agreement or undertaking executed, made or given for compliance with Lloyd's requirements from time to time (Lloyd's Regulations) and (ii) Validus and/or any of its subsidiaries required to do so have complied in all material respects with all relevant regulations, directions, notices and requirements in relation to the maintenance of Funds at Lloyd's (as defined in the Lloyd's Membership Byelaw (No. 5 of 2005)) in accordance with Lloyd's Regulations and any directions imposed on it or any of its subsidiaries by Lloyd's.

3.13 Investments; Derivatives.

(a) The information provided by each party to the SEC in its Annual Report on Form 10-K for the fiscal year ended December 31, 2008, related to its investment assets, including, without limitation, bonds, notes, debentures, mortgage loans, real estate, collateral loans, derivatives (including swaps, swaptions, caps, floors, foreign exchange, and options or forward agreements) and all other

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instruments of indebtedness, stocks, partnership or joint venture interests and all other equity interests, certificates issued by or interests in trusts, alternative investments and direct or indirect investments in hedge funds, whether entered into for its own or its subsidiaries or their customers' accounts (such investment assets, together with all investment assets held between such date and the Closing Date are referred to herein as the Investment Assets) is true and complete in all material respects as of December 31, 2008.

(b) As of the date of this Agreement, to its knowledge, none of the Investment Assets is in default in the payment of principal or interest or dividends.

(c) As of the date of this Agreement, to its knowledge, the Investment Assets comply in all material respects with, and the acquisition thereof complied in all material respects with, any and all investment restrictions under applicable Law and its Investment Policy (as hereinafter defined). Except for Investment Assets sold in the ordinary course of business consistent with past practice or as contemplated by this Agreement, each of it and its subsidiaries, as applicable, has good and marketable title to all of the Investment Assets it purports to own, free and clear of all encumbrances except Permitted Encumbrances (as defined in Section 8.13(a)). Upon request, it will provide a copy of its and its subsidiaries' policies with respect to the investment of the Investment Assets (its Investment Policy) to the other party within one (1) business day of the termination of the IM Agreement.

(d) To its knowledge, none of its Investment Assets is subject to any capital calls or similar liabilities, or any restrictions or suspensions on redemptions, lock-ups, gates, side-pockets, stepped-up fee provisions or other penalties or restrictions relating to withdrawals or redemptions, except as would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

(e) Each agreement with each investment manager or investment advisor providing services to it or any of its subsidiaries was entered into, and the performance of each investment manager is evaluated, in a commercially reasonable, arm's length manner.

(f) Neither it nor any of its subsidiaries holds any derivative instruments, including swaps, swaptions, caps, floors, foreign exchange and option or forward agreements, whether entered into for its account, or for the account of any of its subsidiaries or their customers.

3.14 Material Contracts: Intercompany Contracts.

(a) As of the date of this Agreement, neither it nor any of its subsidiaries is a party to or bound by any contract (other than any Policy or Reinsurance Agreement) (i) that is or will be required to be filed by it as a material contract pursuant to Item 601(b)(10) of Regulation S-K of the SEC that is not already so filed; (ii) that limits or purports to limit in any material respect either the type of business in which it or any of its subsidiaries (or, after giving effect to the Amalgamation, Validus or any of its subsidiaries) may engage or the manner or locations in which any of them may so engage in any business; (iii) that creates a partnership, joint venture, strategic alliance or similar arrangement with respect to any of its or its subsidiaries' material business or assets; (iv) that is an indenture, credit agreement, loan agreement, security agreement, guarantee, note, mortgage or other agreement providing for or guaranteeing indebtedness in excess of \$5,000,000; (v) that, individually or together with related contracts, provides for any acquisition, disposition, lease, license or use after the date of this Agreement of assets, services, rights or properties with a value or requiring annual fees in excess of \$5,000,000 or that comprise more than 15% of its business on a consolidated basis; (vi) that is a collective bargaining agreement; (vii) that involves or could reasonably be expected to involve aggregate payments by or to it and/or its subsidiaries in excess of \$5,000,000 in any twelve month period, except for any contract that may be cancelled without penalty or termination payments by it or its subsidiaries upon notice of 60 days or less; (viii) that includes an indemnification obligation of it or any of its subsidiaries with a maximum potential liability in

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excess of \$5,000,000; (ix) that is an investment advisory or investment management agreement or arrangement to which it or any of its subsidiaries is a party or under which any Investment Asset is invested or managed or any third party has the right or power to make discretionary or investment decisions with respect to any Investment Asset or (x) that would or would reasonably be expected to, individually or in the aggregate, prevent, materially delay or materially impede its ability to consummate the transactions contemplated by this Agreement or Validus and its subsidiaries ability to own and/or to conduct the businesses after the Closing. Each such contract described in clauses (i)-(x) is referred to herein as a Material Contract.

(b) Each Material Contract is, and after the consummation of the transactions contemplated by this Agreement will continue to be, a valid and binding obligation of it and its subsidiaries (to the extent they are parties thereto or bound thereby) enforceable against it and, to its knowledge, each other party thereto, in accordance with its terms and is in full force and effect, and it and each of its subsidiaries (to the extent they are party thereto or bound thereby) and, to its knowledge, each other party thereto has performed in all material respects all obligations required to be performed by it under each Material Contract, except where such failure to be valid and binding or such non-performance has not had and would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect. Neither it nor any of its subsidiaries has received written notice, nor does it have knowledge, of any material violation or default in respect of any material obligation under (or any condition which with the passage of time or the giving of notice or both would result in such a violation or default), or any intention to cancel, terminate, change the scope of rights and obligations under or not to renew, any Material Contract.

(c) Validus Annual Report filed with the SEC on Form 10-K for the year ended December 31, 2008, sets forth all contracts, agreements, notes, leases, licenses and other instruments between Validus and any of its affiliates or between two or more affiliates of Validus. Section 3.14(c) of IPC's Disclosure Letter sets forth all contracts, agreements, notes, leases, licenses and other instruments between IPC and any of its affiliates or between two or more affiliates of IPC. Each Validus intercompany agreement or IPC intercompany agreement, as the case may be, to which any Insurance Entity is a party has been duly approved by each Governmental Entity whose approval is required therefor, except where the failure to obtain such approval has not had and would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

3.15 Employee Benefits and Executive Compensation.

(a) It has disclosed its Compensation and Benefits Plans in Section 3.15(a) of its Disclosure Letter and it will deliver or make available, to the extent requested, to the other party within one (1) business day of the termination of the IM Agreement correct and complete copies of, (i) each of its material Compensation and Benefit Plans (as defined in Section 8.13(a)), (ii) each applicable trust agreement or other funding arrangement for each such Compensation and Benefit Plan (including insurance contracts), and all amendments thereto, (iii) with respect to any such Compensation and Benefit Plan that is intended to be tax-qualified or tax-preferred under applicable Law, any applicable determination letter issued by the U.S. Internal Revenue Service and any other applicable determination document issued by any equivalent non-U.S. taxing or regulatory authority, in each case, confirming the tax-qualified or tax-preferred status of such Compensation and Benefit Plan, (iv) annual reports or returns, audited or unaudited financial statements, actuarial valuations and reports, and summary annual reports or other reports prepared for any Compensation and Benefit Plan with respect to the two most recently completed plan years, and (v) the most recent summary plan description for any Compensation and Benefit Plan and summary of any material modifications thereto.

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(b) Each of its Compensation and Benefit Plans is in compliance with applicable Laws in all material respects and has been administered in all material respects in accordance with its terms. There are no actions, suits, investigations or claims pending, or to its knowledge, threatened or anticipated (other than routine claims for benefits) relating to any Compensation and Benefit Plan.

(c) Neither it nor any of its subsidiaries has any obligations for retiree health and retiree life benefits under any Compensation and Benefit Plan other than with respect to benefit coverage mandated by applicable Law. There has been no amendment to, announcement by it or any of its subsidiaries relating to, or change in employee participation in coverage under, any Compensation and Benefit Plan which would materially increase the expense of maintaining such plan above the level of the expense incurred therefor for the most recent fiscal year.

(d) None of the execution and delivery of this Agreement, the shareholder approval of the transactions contemplated hereby, the termination of the employment of any of its or its subsidiaries employees within a specified time of the Effective Time or the consummation of the transactions contemplated hereby will (i) result in any payment (including severance, golden parachute, or otherwise), whether or not in conjunction with a termination of employment, becoming due to any director or any employee of it or any of its subsidiaries from it or any of its subsidiaries under any Compensation and Benefit Plan or otherwise, other than by operation of Law, (ii) increase any benefits otherwise payable under any Compensation and Benefit Plan, (iii) result in any acceleration of the time of payment or vesting of any such benefit or funding (through a grantor trust or otherwise) of any such payment or benefit, (iv) limit or restrict the right of it to merge, amend or terminate any Compensation and Benefit Plan or any related trust, (v) cause a trust for any Compensation and Benefit Plan to be required to be funded, or (vi) result in payments under any Compensation and Benefit Plan which would not be deductible under Section 280G of the Code or any equivalent non-U.S. tax Law.

(e) Each of its Compensation and Benefit Plans that is intended to be qualified under Section 401(a) of the Code has received a favorable determination letter from the U.S. Internal Revenue Service and nothing has occurred that could reasonably be expected to cause the loss of such qualification. Neither it nor any of its subsidiaries has engaged in a transaction with respect to any Compensation and Benefit Plan that would subject it or any of its subsidiaries to a Tax or penalty imposed by either Section 4975 of the Code or Section 502(i) of the Employee Retirement Income Security Act of 1974, as amended (ERISA). Neither it nor any of its subsidiaries (i) has an obligation to contribute (as defined in ERISA Section 4212) nor have they ever had an obligation to contribute to a multiemployer plan (as defined in ERISA Sections 4001(a)(3) and 3(37)(A)) or (ii) maintains or contributes to, or has, within six years preceding the date of this Agreement, maintained or contributed to, an employee pension benefit plan (as defined in Section 3(2) of ERISA) subject to Title IV of ERISA or Section 412 of the Code.

3.16 Labor Relations and Other Employment Matters.

(a) None of its or its subsidiaries employees are represented by any union with respect to their employment by it or its subsidiaries, and no labor organization or group of employees of it or any of its subsidiaries has made a pending demand for recognition or certification to it or any of its subsidiaries and there are no representation or certification proceedings or petitions seeking a representation proceeding presently pending or, to its knowledge, threatened to be brought or filed with any labor relations tribunal or authority. Since January 1, 2007, neither it nor any of its subsidiaries has experienced any material labor disputes, union organization attempts or work stoppages, slowdowns or lockouts due to labor disagreements.

(b) (i) No unfair labor practice charges, grievances or complaints are pending or, to its knowledge, threatened against it or any of its subsidiaries, (ii) no employee of it at the officer level or

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above has given written notice to it or any of its subsidiaries that any such employee intends to terminate his or her employment with it or any of its subsidiaries, (iii) to its knowledge, no employee or former employee of it or any of its subsidiaries is in any respect in violation of any term of any employment contract, nondisclosure agreement (including any agreement relating of trade secrets or proprietary information) or non-competition agreement with it or any of its subsidiaries, and (iv) it and its subsidiaries have materially complied with all applicable Laws, contracts, policies, plans and programs relating to employment, employment practices, compensation, benefits, hours, terms and conditions of employment and the termination of employment.

(c) Each of its employees has all work permits, immigration permits, visas or other authorizations required by Law for such employee given the duties and nature of such employee's employment and Section 3.16(c) of its Disclosure Letter sets forth a true and complete list of such work permits, immigration permits, visas or other authorizations currently held by its employees.

3.17 Intellectual Property

(a) It and each of its subsidiaries has sufficient rights to use all of the Intellectual Property used in its and each of its subsidiaries' respective businesses as presently conducted and as proposed to be conducted, all of which rights shall survive unchanged the consummation of the transactions contemplated by this Agreement. The Intellectual Property owned by it or its subsidiaries is (i) owned free and clear of any claim, lien or encumbrance (other than Permitted Encumbrances), and (ii) valid and subsisting, and is not subject to any outstanding order, judgment or decree adversely affecting its or its subsidiaries use thereof, or rights thereto.

(b) Section 3.17 of its Disclosure Letter, which, with respect to Validus, shall be provided within one (1) business day of the termination of the IM Agreement, sets forth a true list of (i) all registered trademarks and service marks, all trademark and service mark applications, and all domain names owned by it and/or its subsidiaries, (ii) all registered copyrights and copyright applications owned by it and/or its subsidiaries, and (iii) all patents and patent applications owned by it and/or its subsidiaries.

(c) Any underwriting model it has created or uses in its business that, among other things, assesses policy risk and premium (each an Underwriting Model) is based, in all material respects, on information that is confidential and/or proprietary to it (other than third-party vendor model information contained therein). It owns exclusively, free and clear of any claim, lien or encumbrance (other than Permitted Encumbrances), all of the proprietary information (including all Intellectual Property rights) upon which each Underwriting Model is based.

(d) All of the rights in the Intellectual Property created by its or any of its subsidiaries' employees during the course of their employment, including any software developed to use the Underwriting Model, have been validly and irrevocably assigned to it.

(e) It and each of its subsidiaries has taken all reasonable measures to protect the confidentiality of all Trade Secrets (as hereinafter defined) that are owned, used or held by it or each of its subsidiaries, and to its knowledge, such Trade Secrets have not been used, disclosed to or discovered by any person except pursuant to valid and appropriate non-disclosure agreements which have not been breached.

(f) To its knowledge, neither it nor any of its subsidiaries has infringed, misappropriated or otherwise violated the Intellectual Property rights of any third party during the five (5) year period immediately preceding the date of this Agreement. There is no litigation, opposition, cancellation, proceeding, reexamination, objection or claim pending, asserted or, to its knowledge, threatened against it

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or any of its subsidiaries concerning the ownership, validity, registerability, enforceability, infringement or use of, or licensed right to use, any Intellectual Property. To its knowledge, no valid basis exists for any such litigation, opposition, cancellation, proceeding, objection or claim. To its knowledge, no person is infringing, misappropriating or otherwise violating any of its or its subsidiaries' rights in any Intellectual Property.

(g) It and its subsidiaries has each complied in all material respects with (i) all applicable Laws, rules and regulations regarding data protection and the privacy and security of personal information, and (ii) their respective privacy policies or commitments to their customers and consumers.

3.18 Properties. Neither it nor any of its subsidiaries owns any real property. It or one of its subsidiaries has (a) a valid leasehold or sublease interest or other comparable contract right in the real property that it or any of its subsidiaries leases, subleases or otherwise occupies without owning and (b) good, valid and marketable title to, or has a valid leasehold, sublease interest or other comparable contract right in, the other tangible assets and properties necessary to the conduct of the business as currently conducted, except (i) as have been disposed of in the ordinary course of business, in each case free and clear of all encumbrances except for Permitted Encumbrances, or (ii) as has not had and would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect. It and its subsidiaries have complied in all material respects with the terms of all such leases, and to its knowledge, all such leases are in full force and effect.

3.19 Brokers or Finders. Other than, in the case of IPC, J.P. Morgan Securities Inc. (JP Morgan) and, in the case of Validus, Greenhill & Co., LLC (Greenhill), no agent, broker, investment banker, financial advisor or other firm or person is or will be entitled to any broker's or finder's fee or any other similar commission or fee in connection with any of the transactions contemplated by this Agreement based upon arrangements made by or on behalf of it or any of its subsidiaries. Prior to the date of execution of this Agreement by IPC, IPC has provided a true and complete copy of its engagement letter with its financial advisor to Validus.

3.20 Investment Advisor. Neither it nor any of its subsidiaries conducts activities of or is required to be registered as an investment advisor as such term is defined in Section 2(a)(2) of the Investment Company Act of 1940. Neither it nor any of its subsidiaries is required to be registered as an investment company as defined under the Investment Company Act of 1940.

3.21 Opinion of Financial Advisor.

(a) In the case of IPC, the board of directors of IPC has received the opinion of its financial advisor, JP Morgan, dated the date of execution of this Agreement by all parties, to the effect that, as of such date, the Amalgamation Consideration to be paid by Validus to the shareholders of IPC pursuant to Section 2.1(a) is fair, from a financial point of view, to the holders of IPC Common Shares (other than Validus and its subsidiaries).

(b) In the case of Validus, the board of directors of Validus has received the opinion of its financial advisor, Greenhill, dated as of March 31, 2009, to the effect that, as of such date, the Exchange Ratio is fair, from a financial point of view, to Validus.

3.22 Takeover Laws. To its knowledge as of the date of this Agreement, no fair price, moratorium, control share acquisition, interested shareholder or other anti-takeover statute or regulation would reasonably be expected to restrict or prohibit this Agreement, the Amalgamation or the other transactions contemplated hereby by reason of it being a party to this Agreement, performing

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its obligations hereunder and consummating the Amalgamation and the other transactions contemplated hereby.

ARTICLE IV

COVENANTS RELATING TO CONDUCT OF BUSINESS

4.1 Covenants of Validus and IPC. During the period from the date of this Agreement and continuing until the Effective Time, Validus and IPC agree as to themselves and their respective subsidiaries that, except as expressly contemplated or permitted by this Agreement, as required by applicable Law, as set forth in Section 4.1 of the Validus Disclosure Letter (in the case of Validus) or Section 4.1 of the IPC Disclosure Letter, including the supplement thereto attached as Exhibit F hereto (in the case of IPC) or to the extent that IPC (in the case of Validus) or Validus (in the case of IPC) shall otherwise consent in writing, that it and its subsidiaries shall carry on their respective businesses in the usual, regular and ordinary course of business consistent with past practice (including, for the avoidance of doubt, adhering to any operating guidelines and policies, whether or not written) and use commercially reasonable efforts to preserve intact their present business organizations, maintain their Permits and preserve their relationships with employees, investment advisers and managers, customers, policyholders, reinsureds, retrocedents, regulators, Agents, Administrators, lenders and financing providers and others having business dealings with them. Without limiting the generality of the foregoing, except as expressly required by applicable Law or as set forth in Section 4.1 of the Validus Disclosure Letter (in the case of Validus) or Section 4.1 of the IPC Disclosure Letter (in the case of IPC), Validus and IPC shall not, and shall not permit any of their respective subsidiaries, except as expressly noted in a subsection or clause that it is solely applicable to IPC and its subsidiaries, to:

(a) (i) declare or pay, or propose to declare or pay, any dividends on or make other distributions in respect of any of its share capital (whether in cash, shares or property or any combination thereof), except for (A) dividends paid by a direct or indirect wholly-owned subsidiary to it or its subsidiaries and (B) subject to Section 5.14, ordinary course quarterly dividends on its common shares with record and payment dates consistent with past practice; provided that any such dividend shall be at a rate no greater than the rate paid by it during the fiscal quarter immediately preceding the date of Agreement, (ii) split, combine or reclassify, or propose to split, combine or reclassify, any of its share capital, or issue or authorize or propose the issuance or authorization of any other securities in respect of, in lieu of or in substitution for, shares of its share capital, or (iii) in the case of IPC and its subsidiaries, repurchase, redeem or otherwise acquire, propose to repurchase, redeem or otherwise acquire, any shares of its (or any of its subsidiaries) share capital or any securities convertible into or exercisable for any shares of its (or any of its subsidiaries) share capital, other than repurchases, redemptions or acquisitions by a wholly-owned subsidiary of share capital or such other securities, as the case may be, of another of its wholly-owned subsidiaries;

(b) issue, deliver or sell, or authorize or propose the issuance, delivery or sale of, any shares of its (or any of its subsidiaries) share capital of any class, any Voting Debt, any share appreciation rights or any securities convertible into or exercisable or exchangeable for, or any rights, warrants or options to acquire, any such shares or Voting Debt, or enter into any agreement with respect to any of the foregoing (it being understood that no such issuance, delivery or sale shall result in a net credit to either party's Book Value Estimate made in connection with Section 5.16), other than (i) the issuance of common shares required to be issued upon the exercise or settlement of share options or other equity related awards outstanding on the date hereof under the Validus Share Plans the IPC Share Plans, as the case may be, as in effect on the date hereof, (ii) issuances by a wholly-owned subsidiary of share capital or capital stock, as the case may

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be, to it or another of its wholly-owned subsidiary and (iii) the issuance of Validus Common Shares in connection with the consummation of this Agreement;

(c) amend or propose to amend its memorandum of association or bye-laws or equivalent organizational documents of any of its subsidiaries (except in accordance with the IPC Bye-Law Amendment) and shall not waive any requirement thereof;

(d) (i) other than in connection with transactions related to its Investment Assets entered into in accordance with its Investment Policy or after obtaining the written consent of the other parties hereto (which consent shall not be unreasonably withheld or delayed), acquire or agree to acquire, by amalgamating, merging or consolidating with, by purchasing a substantial equity interest in or a substantial portion of the assets of, by forming a partnership or joint venture with, or by any other manner, any corporation, partnership, association or other business organization or division thereof, or any material assets, rights or properties (it being understood that no such acquisition shall result in a net credit to either party's Book Value Estimate made in connection with Section 5.16) or (ii) other than in connection with transactions related to its Investment Assets entered into in accordance with its Investment Policy or that results in the creation or incurrence of a Permitted Encumbrance, sell, lease, assign, transfer, license, encumber, abandon or otherwise dispose of, or agree to sell, lease, assign, transfer, license, encumber, abandon or otherwise dispose of, any of its assets, product lines, businesses, rights or properties (including capital stock of its subsidiaries and indebtedness of others held by it and its subsidiaries);

(e) other than any Validus Benefit Plan, as applicable, other than any IPC Benefit Plan, as applicable (which is subject to paragraph (k) below) or as contemplated by Section 6.3(f): amend, modify or terminate any Material Contract, or cancel, modify or waive any debts or claims held by it under, or waive any rights in connection with, any Material Contract, or enter into any contract or other agreement of any type, whether written or oral, that would have been a Material Contract had it been entered into prior to this Agreement;

(f) do or permit any of its subsidiaries, investments managers or advisers, or Agents or Administrators to do any of the following: (i) fail to comply with the Investment Policy, or amend, modify or otherwise change the Investment Policy in any material respect, except as may be required by (or, in its reasonable good faith judgment, advisable under) GAAP, Applicable SAP or any Governmental Entity or applicable Laws, (ii) enter into, purchase, sell, amend or modify any derivative other than in the ordinary course of business consistent with past practice and its Investment Policy or (iii) voluntarily forfeit, abandon, modify, waive, terminate or otherwise change any of its material Permits;

(g) take any action with the actual knowledge and intent that it would result in any of the conditions to the Amalgamation set forth in ARTICLE VI not being satisfied or take any action that would materially adversely affect the ability of the parties to obtain any of the Requisite Regulatory Approvals (as defined in Section 6.1(c)) without imposition of a condition or restriction of the type referred to in Section 6.2(d) or Section 6.3(d), as the case may be);

(h) (i) except as disclosed in any of its SEC Documents filed prior to the date of this Agreement, change its methods of accounting in effect at December 31, 2008, except as required by changes in applicable Laws, GAAP or Applicable SAP as concurred to by its independent auditors, (ii) make, change or revoke any material Tax election, file any amended Tax Return, settle any Tax claim, audit, action, suit, proceeding, examination or investigation or change its method of tax accounting (except, with respect to any amended Tax Return or any change in tax accounting method, as required by changes in applicable Law (or any Taxing Authority's interpretation

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thereof)), in each case, if such action would have the effect of increasing any of its Tax liabilities by an amount that is material or (iii) alter or amend in any material respect its Investment Policy or any existing underwriting, claim handling, loss control, investment, actuarial or financial reporting practices, methods, guidelines or policies or any material assumption underlying an actuarial policy or practice (including compliance policies), except as may be required by (or, in its reasonable good faith judgment, advisable under) GAAP, Applicable SAP or any Governmental Entity or applicable Laws;

(i) adopt any plan of complete or partial liquidation or dissolution, restructuring, recapitalization or reorganization;

(j) settle or compromise any Legal Proceedings other than settlements or compromises of Legal Proceedings (i) where the amount paid (less the amount reserved for such matters by it in the latest audited balance sheet included in its SEC Documents and any insurance coverage applicable thereto) in settlement or compromise, in each case, does not exceed \$1,000,000 and such settlement or compromise only involves monetary relief or (ii) arising from ordinary course claims for insurance under contracts of insurance or reinsurance issued by one of its subsidiaries;

(k) with respect to IPC and its subsidiaries only, (i) enter into, adopt, amend or terminate any IPC Benefit Plan, as the case may be, or any other employee benefit plan or any agreement, arrangement, plan or policy between it or one of its subsidiaries and one or more of its employees, directors or officers other than as required by this Agreement or in the ordinary course of business consistent with past practice, (ii) except as required by any IPC Benefit Plan, as the case may be, as in effect as of the date hereof, increase in any manner the compensation or fringe benefits of any director, officer, employee, independent contractor or consultant or pay any benefit not required by any IPC Benefit Plan, as the case may be, as in effect as of the date hereof or enter into any contract, agreement, commitment or arrangement to do any of the foregoing, except for normal payments, awards and increases to employees who are not directors or officers in the ordinary course of business consistent with past practice, or (iii) enter into or renew any contract, agreement, commitment or arrangement (other than a renewal occurring in accordance with the terms of a IPC Benefit Plan, as the case may be) providing for the payment to any director, officer, employee, independent contractor or consultant of compensation or benefits contingent, or the terms of which are materially altered, upon the occurrence of any of the transactions contemplated by this Agreement;

(l) incur, create or assume any indebtedness for borrowed money (or modify any of the material terms of any such outstanding indebtedness), including by way of an intercompany loan to it, guarantee any such indebtedness or issue or sell any debt securities or warrants or rights to acquire any debt securities of it or any of its subsidiaries or guarantee any debt securities of others, other than (i) in replacement of existing or maturing debt, (ii) in connection with amending existing indebtedness agreements in connection with the Amalgamation and the other transactions contemplated hereby, (iii) in the ordinary course of the insurance or reinsurance business and (iv) draw-downs pursuant to existing credit facilities and letters of credit;

(m) grant, extend, amend, waive or modify any material rights in or to, nor sell, assign, lease, transfer, license, let lapse, abandon, cancel or otherwise dispose of, any material Intellectual Property rights; or

(n) agree to, or make any commitment to, take, or authorize, any of the actions prohibited by this Section 4.1.

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4.2 Financing.

(a) In the event that the parties mutually determine that it is desirable to obtain new, or amend or obtain waivers under any of their existing, credit facilities or other existing financing arrangements (Financing) in connection with the Amalgamation and the other transactions contemplated hereby, then the parties shall, and shall cause each of their respective subsidiaries to, use commercially reasonable efforts to cooperate with each other and to cause their respective directors, officers, employees, agents and representatives to cooperate in connection with the arrangement of such Financing, including with respect to the giving (effective as of the Effective Time) of any mutually acceptable guarantees required by the lenders in connection therewith; provided that (i) such requested cooperation does not unreasonably interfere with the ongoing operations of a party and its subsidiaries prior to the Effective Time, (ii) no party or any of its subsidiaries shall be required to incur any liability under the Financing prior to the Effective Time unless contingent upon the occurrence of the Closing and not material to Validus and its subsidiaries (after giving effect to the Amalgamation), and (iii) IPC and Validus shall be responsible for their respective costs and expenses incurred in connection with such cooperation. For the avoidance of doubt no failure of any party to obtain Financing shall be deemed to be a failure of any condition set forth in Article VI of this Agreement, except as specifically provided by Section 6.3(f) of this Agreement.

4.3 Bermuda Required Actions. Prior to the Closing, (a) IPC shall (i) procure that the statutory declaration required by Section 108(3) of the Companies Act is duly sworn by one of its officers; (ii) prepare a duly certified copy of the IPC shareholder resolutions evidencing the Required IPC Vote and deliver such documents to Validus; and (b) Amalgamation Sub shall (and Validus, as the sole shareholder of Amalgamation Sub shall cause Amalgamation Sub to) (i) procure that the statutory declarations required by Section 108(3) of the Companies Act is duly sworn by one of Amalgamation Sub's officers; (ii) prepare a duly certified copy of the shareholder resolutions evidencing the approval of Validus, as the sole shareholder of the Amalgamation Sub, of the Amalgamation; and (iii) prepare a notice advising the Registrar of the registered office of the Amalgamated Company.

ARTICLE V

ADDITIONAL AGREEMENTS

5.1 Preparation of Proxy Statements; Shareholders Meetings.

(a) At IPC's option, after consultation with Validus, IPC may elect to combine the IPC Shareholders Meeting with IPC's 2009 annual general meeting, and at Validus's option, after consultation with IPC, Validus may elect to combine the Validus Shareholders Meeting with Validus's 2009 annual general meeting. As promptly as reasonably practicable following the date hereof, IPC and Validus shall cooperate in preparing and each shall cause to be filed with the SEC mutually acceptable proxy materials which shall constitute the proxy statement/prospectus relating to the matters to be submitted to the shareholders of Validus at the Validus Shareholders Meeting and to the IPC shareholders at the IPC Shareholders Meeting and, subject to the first sentence of this paragraph (a), such other matters as IPC and Validus elect to submit to their respective shareholders in the ordinary course consistent with past practice in connection with their respective annual general meetings, including the election of directors, the receipt of audited financial statements, the appointment of an auditor and the transaction of such other further business, if any, as may lawfully be brought before the meeting (such proxy statement/prospectus, proxy and any amendments or supplements thereto, the Joint Proxy Statement/Prospectus), and Validus shall prepare, together with IPC, and file with the SEC a registration statement on Form S-4 (of which the Joint Proxy Statement/Prospectus shall be a part) with respect to the issuance of Validus Common Shares in the Amalgamation (such Form S-4, and any amendments or supplements thereto, the Form S-4).

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Each of IPC and Validus shall take all actions reasonably necessary to prepare and file the Joint Proxy Statement/Prospectus and the Form S-4 no later than 30 days following the date of execution of this Agreement by all parties. In addition, each of IPC and Validus shall:

- (i) use commercially reasonable efforts to have the Joint Proxy Statement/Prospectus cleared by the SEC and the Form S-4 declared effective by the SEC, to keep the Form S-4 effective as long as is necessary to consummate the Amalgamation and the other transactions contemplated hereby, and to mail the Joint Proxy Statement/Prospectus to their respective shareholders as promptly as practicable after the Form S-4 is declared effective. IPC and Validus shall, on the same day of receipt thereof (and if not possible, as promptly as practicable after receipt thereof), provide the other party with copies of any written comments and advise the other party of any oral comments with respect to the Joint Proxy Statement/Prospectus or Form S-4 received from the SEC;
- (ii) cooperate and provide the other party with a reasonable opportunity to review and comment on any amendment or supplement to the Joint Proxy Statement/Prospectus and the Form S-4 prior to filing such with the SEC, and each party will provide the other party with a copy of all such filings made with the SEC. None of the information supplied or to be supplied by Validus or IPC for inclusion or incorporation by reference in the (A) Form S-4 will, at the time the Form S-4 is filed with the SEC and at the time it becomes effective under the Securities Act, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and (B) Joint Proxy Statement/Prospectus will, at the date of mailing to shareholders and at the times of the meetings of shareholders to be held in connection with the Amalgamation, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; provided that, in each case of (A) and (B), neither party shall be responsible or liable for any statements made or incorporated by reference therein based on information supplied by the other party for inclusion or incorporation by reference therein;
- (iii) cause the Joint Proxy Statement/Prospectus and the Form S-4 to comply as to form in all material respects with the requirements of the Exchange Act and the Securities Act, as the case may be, and the rules and regulations of the SEC thereunder, except that no representation or warranty shall be made by either such party with respect to statements made or incorporated by reference therein based on information supplied by the other party for inclusion or incorporation by reference in the Joint Proxy Statement/Prospectus or Form S-4. IPC and Validus shall make any necessary filings with respect to the Amalgamation under the Securities Act and the Exchange Act and the rules and regulations thereunder;
- (iv) use commercially reasonable efforts to take any action required to be taken under any applicable securities Laws in connection with the Amalgamation and each party shall furnish all information concerning it and the holders of its capital stock as may be reasonably requested in connection with any such action;
- (v) advise the other party, promptly after it receives notice thereof, of the time when the Form S-4 has become effective, the issuance of any stop order, the suspension of the qualification of the Validus Common Shares issuable in connection with the Amalgamation for offering or sale in any jurisdiction, or any request by the SEC for amendment of the Joint Proxy Statement/Prospectus or the Form S-4; and

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(vi) promptly notify the other party if at any time prior to the Effective Time it discovers any information relating to either of the parties, or their respective affiliates, officers or directors, which should be set forth in an amendment or supplement to any of the Form S-4 or the Joint Proxy Statement/Prospectus so that such documents would not include any misstatement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and an appropriate amendment or supplement describing such information shall be promptly filed with the SEC and disseminated to the shareholders of Validus and IPC, to the extent required by Law.

(b) Validus shall take all action necessary to call, give notice of, convene and hold a meeting of its shareholders as promptly as practicable, and in any event within 45 days, following the date upon which the Form S-4 becomes effective (the Validus Shareholders Meeting) for the purpose of obtaining the Required Validus Vote, provided that the Validus Shareholders Meeting shall not be held prior to the third business day immediately following the last day on which the holders of IPC Common Shares can require appraisal of their IPC Common Shares pursuant to the Companies Act. Subject to Section 5.4, (i) Validus shall use commercially reasonable efforts to solicit and secure the Required Validus Vote in accordance with applicable legal requirements and (ii) the board of directors of Validus shall include the Validus Recommendation in the Joint Proxy Statement/Prospectus.

(c) IPC shall take all action necessary to call, give notice of, convene and hold a meeting of its shareholders as promptly as practicable, and in any event within 45 days, following the date upon which the Form S-4 becomes effective (the IPC Shareholders Meeting) for the purpose of obtaining the Required IPC Vote, provided that the IPC Shareholders Meeting shall not be held prior to the third business day immediately following the last day on which the holders of IPC Common Shares can require appraisal of their IPC Common Shares pursuant to the Companies Act. Subject to Section 5.4, (i) IPC shall use commercially reasonable efforts to solicit and secure the Required IPC Vote in accordance with applicable legal requirements and (ii) the board of directors of IPC shall include the IPC Recommendation in the Joint Proxy Statement/Prospectus.

(d) Validus and IPC shall coordinate and each shall use its commercially reasonable efforts to cause the Validus Shareholders Meeting and the IPC Shareholders Meeting to be held on the same date.

(e) Validus and IPC may determine, after consultation with each other, that each of them shall file separate proxy statements rather than a joint proxy statement, in which case each of the references in this Agreement to the Joint Proxy Statement/Prospectus shall include each party's separate proxy statement.

5.2 Access to Information: Confidentiality.

(a) Upon reasonable notice, each of Validus and IPC shall (and shall cause each of its subsidiaries to) (i) afford to the officers, employees, accountants, counsel, financial advisors and other representatives of the other party, access, during normal business hours during the period prior to the Effective Time, to all its properties, books, contracts, records and officers and (ii) during such period, make available all other information concerning its business, properties and personnel, in each case, as such other party may reasonably request. Notwithstanding anything in this Section 5.2 or Section 5.3 to the contrary, neither party nor any of its subsidiaries shall be required to provide access to or to disclose information where such access or disclosure would jeopardize any legally recognized privilege applicable to such information or violate or contravene any applicable Laws or binding agreement entered into prior to the date of this Agreement (including any Laws relating to privacy). The parties will make appropriate substitute disclosure arrangements under circumstances in which the restrictions of the preceding sentence

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apply, including adopting additional specific procedures to protect the confidentiality of certain sensitive material and to ensure compliance with applicable Law, and, if necessary, restricting review of certain sensitive material to the receiving party's financial advisors or outside legal counsel. No information or knowledge obtained in any investigation pursuant to this Section 5.2 shall affect or be deemed to modify any representation or warranty made by any party hereunder.

(b) The parties will hold any such information in confidence and neither of the parties nor any of their respective affiliates, directors, officers, employees, advisors, agents or other representatives (including, without limitation, attorneys, accountants, consultants, bankers and financial advisors) (collectively, Representatives) will disclose any of the information in any manner whatsoever; provided, however, that (i) any of such information may be disclosed to Representatives who need to know such information for the sole purpose of assisting the parties in effecting the Amalgamation (it being understood that such Representatives shall be informed by the party hereto that they represent of your obligations under this Section 5.2(b) and shall be required by you to comply with all such obligations)), (ii) any of such information may be disclosed as required by applicable law or the rules of a national securities exchange and (iii) any other disclosure of such information may be made only with the other party's prior written consent. Each party hereto agrees to be responsible for any breach of this Section 5.2(b) by any of its Representatives and, at its sole expense, to take all commercially reasonable measures (including, but not limited to, court proceedings) to restrain its Representatives from breaching this Section 5.2(b).

5.3 Commercially Reasonable Efforts.

(a) Subject to the terms and conditions of this Agreement, each party will cooperate and consult with the other party with respect to, and will use its commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under this Agreement and applicable Laws to consummate the Amalgamation and the other transactions contemplated by this Agreement as promptly as practicable after the date hereof, including preparing and filing as promptly as practicable all documentation to effect all necessary applications, notices, filings and other documents and to obtain as promptly as practicable all Requisite Regulatory Approvals and all other consents, waivers, licenses, registrations, orders, approvals, permits, rulings, requests, authorizations and clearances necessary or advisable to be obtained from any third party or any Governmental Entity in order to consummate the Amalgamation or any of the other transactions contemplated by this Agreement.

(b) In furtherance and not in limitation of Section 5.3(a), to the extent permissible under applicable Laws, each party shall, in connection with the above referenced efforts to obtain all Requisite Regulatory Approvals and any other requisite approvals, clearances and authorizations for the transactions contemplated hereby under applicable Laws or any approval of a Governmental Entity, use its commercially reasonable efforts to (i) supply as promptly as practicable any additional information and documentary material that may be requested pursuant to applicable Laws or by any Governmental Entity and to use commercially reasonable efforts to cause the expiration or termination of the applicable waiting periods and the receipt of all such consents, waivers, licenses, registrations, orders, approvals, permits, rulings, requests, authorizations and clearances under applicable Laws or from such Governmental Entities as soon as practicable, (ii) cooperate in all respects with the other party in connection with any filing or submission and in connection with any investigation or other inquiry, including any proceeding initiated by any private party, (iii) keep the other party apprised of the status of matters relating to completion of the transactions contemplated hereby and promptly inform the other party of (and upon reasonable request provide copies of) any communication received by such party from, or given by such party to, any Governmental Entity and of any material communication received or given in connection with any proceeding by any private party, in each case regarding any other transactions contemplated hereby, (iv) permit the other parties, or the other parties' legal counsel, to review prior to its submission any

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communication given by it to any Governmental Entity or, in connection with any proceeding by any private party, with any other person, (v) consult with the other party in advance of any meeting, conference, conference call, discussion or communication with, any such Governmental Entity or, in connection with any proceeding by any private party, with any other person and (vi) to the extent permitted by such Governmental Entity or other person, give the other party the opportunity to attend and participate in such meetings, conferences, conference calls, discussions and communications.

(c) Notwithstanding the foregoing or anything in this Agreement to the contrary, none of IPC (and its subsidiaries) or Validus (and its subsidiaries) may, without the prior written consent of the other party, (i) consent to, take or agree or commit to take, any action for the purpose of obtaining the Requisite Regulatory Approvals or (ii) consent to or agree to any restriction or limitation for the purpose of obtaining the Requisite Regulatory Approvals (including with respect to divesting, selling, licensing, transferring, holding separate or otherwise disposing of any business or assets or conducting its (or its subsidiaries) business in any specified manner), in each case, which would be effective prior to the Effective Time or which would, after the Effective Time, not be immaterial to Validus and its subsidiaries taken together (after giving effect to the Amalgamation).

(d) In connection with and without limiting the foregoing, Validus and IPC shall (i) take all reasonable actions necessary to ensure that no takeover statute or similar statute or regulation is or becomes applicable to the Amalgamation, this Agreement, or any of the other transactions contemplated by this Agreement and (ii) if any takeover statute or similar statute or regulation becomes applicable to the Amalgamation, this Agreement, or any other transaction contemplated by this Agreement, use their respective commercially reasonable efforts to ensure that the Amalgamation and the other transactions contemplated by this Agreement may be consummated as promptly as practicable on the terms contemplated by this Agreement and otherwise to minimize the effect of such statute or regulation on the Amalgamation and the other transactions contemplated by this Agreement.

(e) Subject to receipt of the Required IPC Vote, IPC shall take such actions as are necessary to amend its bye-laws to reflect the IPC By-Law Amendment.

5.4 No Change in Recommendation.

(a) The board of directors of Validus shall not withhold, withdraw, qualify or modify (including by amendment or supplement to the Joint Proxy Statement/Prospectus), in any manner adverse to IPC, the Validus Recommendation, or publicly propose to, or publicly announce that its board of directors has resolved to take any such action (any of the foregoing, with respect to the Validus Recommendation, a Change in Validus Recommendation). The board of directors of IPC shall not withhold, withdraw, qualify or modify (including by amendment or supplement to the Joint Proxy Statement/Prospectus), in any manner adverse to Validus, the IPC Recommendation, or publicly propose to, or publicly announce that its board of directors has resolved to take any such action (any of the foregoing, with respect to the IPC Recommendation, a Change in IPC Recommendation).

(b) Notwithstanding anything in this Agreement to the contrary, at any time prior to obtaining the Required Validus Vote, in the case of Validus, or the Required IPC Vote, in the case of IPC, the board of directors of Validus or IPC, as the case may be, may withhold, withdraw, qualify or modify (or publicly announce that its board of directors has resolved to take any such action) the Validus Recommendation, in the case of Validus, or the IPC Recommendation, in the case of IPC, other than, with respect to IPC only, in connection with an Acquisition Proposal (as defined in Section 5.5(a)) (for the avoidance of doubt, the conditions under which IPC may make a Change of IPC Recommendation as a result of an Acquisition Proposal are as set forth in Section 5.5), if the board of directors of Validus or IPC, as the case may be, after consultation with its outside counsel and financial advisors, concludes in

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good faith that such action is reasonably likely to be required in order for the relevant directors to comply with such directors' fiduciary duties under applicable Law; provided that no Change in Validus Recommendation or Change in IPC Recommendation, as the case may be, may be made unless the party seeking to make such Change in Validus Recommendation or Change in IPC Recommendation, as the case may be, (i) has not breached in any material respect its obligations under this Section 5.4, and (ii) has provided a written notice to the other party advising it of its intention to make a Change in Validus Recommendation or a Change in IPC Recommendation, as the case may be, and such other party does not, within five business days following its receipt of such notice, agree to make adjustments in the terms and conditions of this Agreement which obviate the need for the Change in Validus Recommendation or the Change in IPC Recommendation, as the case may be, as determined in good faith by the board of directors of Validus or IPC, as the case may be, after consultation with its outside legal counsel and financial advisors (provided that, during such five business day period, the party seeking to make such Change in Validus Recommendation or Change in IPC Recommendation, as the case may be, shall, and shall cause its outside legal counsel and its financial advisors to, negotiate in good faith with the other party (to the extent the other party desires to negotiate) with respect to any proposed adjustments to the terms and conditions of this Agreement). Notwithstanding the foregoing, nothing contained herein shall be deemed to relieve either of Validus or IPC of its obligation(s) under Section 5.1 to submit matters to obtain the Required Validus Vote at the Validus Shareholders Meeting or the Required IPC Vote at the IPC Shareholders Meeting, as the case may be; provided, however, that if the board of directors of Validus (in the case of a Change in Validus Recommendation) or IPC (in the case of a Change in IPC Recommendation) shall have effected a Change in Validus Recommendation or a Change in IPC Recommendation, as the case may be, then in submitting such matters to the applicable shareholders meeting, the applicable board of directors may submit such matters without recommendation, in which event the applicable board of directors shall communicate the basis for its lack of a recommendation to the applicable shareholders in the Joint Proxy Statement/Prospectus or an appropriate amendment or supplement thereto to the extent it determines after consultation with its legal counsel, that such action is compelled by applicable Law.

5.5 Acquisition Proposals.

(a) IPC agrees that neither it nor any of its subsidiaries nor any of the officers and directors of it or its subsidiaries shall, and that it shall cause (and use commercially reasonable efforts to instruct) its and its subsidiaries employees, agents, representatives and advisors (including any investment banker, attorney or accountant retained by it or any of its subsidiaries) not to, directly or indirectly:

(i) initiate, solicit, encourage or facilitate (including by providing information) any effort or attempt to make or implement any proposal or offer with respect to, or a transaction to effect, an amalgamation, merger, reorganization, share exchange, consolidation, business combination, recapitalization, liquidation, dissolution or similar transaction involving it or any of its subsidiaries or any purchase or sale of 10% or more of the consolidated assets (including, without limitation, stock of its subsidiaries) of it and its subsidiaries, taken as a whole, or any purchase or sale of, or tender or exchange offer for, its voting securities that, if consummated, would result in any person (or the shareholders of such person) beneficially owning securities representing 10% or more of its total voting power (or of the surviving Validus entity in such transaction) or the voting power of any of its subsidiaries (any such proposal, offer or transaction (other than a proposal or offer made by Validus) being hereinafter referred to as an Acquisition Proposal);

(ii) have, participate or otherwise engage in any discussions or negotiations with or provide any confidential information or data to any person relating to an Acquisition Proposal;

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(iii) approve or recommend, or propose to approve or recommend, any Acquisition Proposal or submit to the vote of its shareholders any Acquisition Proposal prior to the termination of this Agreement; or

(iv) approve or recommend, or propose to approve or recommend, or execute or enter into, any letter of intent, agreement in principle, merger agreement, amalgamation agreement, asset purchase or share exchange agreement, option agreement or other similar agreement related to any Acquisition Proposal.

(b) IPC agrees that (i) it shall, and shall cause its subsidiaries and its and their respective officers, directors, employees, agents, representatives and advisors to, cease immediately and terminate any and all existing activities, discussions or negotiations with any third parties conducted heretofore with respect to any Acquisition Proposal, and (ii) it shall not release any third party from, or waive any provisions of, any confidentiality or standstill agreement to which it or any of its subsidiaries is a party with respect to any Acquisition Proposal. IPC agrees that it shall use its commercially reasonable efforts to promptly inform its and its subsidiaries' respective directors, officers, employees, agents, representatives and advisors of the obligations undertaken in this Section 5.5.

(c) IPC shall promptly notify Validus of any (i) Acquisition Proposal, (ii) request for information that could reasonably be expected to be related to an Acquisition Proposal received by it, any of its subsidiaries or any of their respective directors, officers, employees, agents, representatives or advisors (including any investment bankers, attorneys or accountants), and (iii) request that could reasonably be expected to be related to an Acquisition Proposal for discussions with or negotiations by, it, any of its subsidiaries or any of their respective directors, officers, employees, agents, representatives or advisors (including any investment bankers, attorneys or accountants), indicating, in connection with such notice, the identity of the person making such Acquisition Proposal or request and the material terms and conditions thereof (including a copy thereof and any related available documentation and correspondence), and in any event IPC shall provide written notice to Validus of any Acquisition Proposal, request for information or request for such discussions or negotiations within 24 hours of such event. IPC will (A) inform the person making such Acquisition Proposal, request for information or request for discussions or negotiations of its obligations under this Agreement and (B) keep Validus reasonably informed on a reasonably current basis of the terms of any such Acquisition Proposal or request for information or request for discussions or negotiations (including whether such Acquisition Proposal or request for information or request for discussions or negotiations is withdrawn and any material change to the terms thereof).

(d) Notwithstanding anything in this Agreement to the contrary, if, at any time prior to obtaining the Required IPC Vote, in the case of IPC (after the expiration of the Notice Period (as hereinafter defined)), the board of directors of IPC concludes that an unsolicited bona fide written Acquisition Proposal that did not result from a breach of this Section 5.5 could be reasonably likely to constitute a Superior Proposal (after giving effect to all the adjustments to this Agreement which may be offered by Validus prior to or during the Notice Period), the board of directors of IPC may make a Change in IPC Recommendation; provided that the board of directors of IPC may not make a Change in IPC Recommendation unless (i) IPC has provided a written notice to Validus (a Notice of Superior Proposal) advising Validus that it has received an Acquisition Proposal that could be reasonably likely to constitute a Superior Proposal and specifying the identity of the person making such Acquisition Proposal and the material terms thereof (including a copy thereof and any related available documentation and correspondence) and (ii) Validus does not, within five business days following its receipt of the Notice of Superior Proposal (the Notice Period), make an offer that, as determined in good faith by the board of directors of IPC after consultation with its outside legal counsel and financial advisors, results in the applicable Acquisition Proposal no longer being a Superior Proposal (provided that, during the Notice Period, IPC shall, and shall cause its outside legal counsel and its financial advisors to, negotiate in good faith with

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Validus (to the extent Validus desires to negotiate) with respect to such proposal). The parties understand and agree that to comply with this Section 5.5(d) any revisions to the terms of such Superior Proposal which, individually or in the aggregate would be material when considering such Superior Proposal in its totality, shall require IPC to deliver to Validus a new Notice of Superior Proposal and the commencement of a new Notice Period.

(e) Nothing contained in this Section 5.5 shall prohibit IPC, from (i) complying with Rule 14d-9 or 14e-2 promulgated under the Exchange Act to the extent applicable with regard to an Acquisition Proposal (provided that, in the case of an Acquisition Proposal made by way of a tender offer or exchange offer, any failure by IPC or its board of directors to recommend that the shareholders of IPC reject such offer within the time period specified in Rule 14e-2(a) shall be deemed to be a Change in IPC Recommendation), or making any legally required disclosure to its shareholders with regard to an Acquisition Proposal (provided that any disclosure (other than a stop, look and listen or similar communication of the type contemplated by Rule 14d-9(f) under the Exchange Act) made pursuant to Rule 14d-9 or 14e-2(a) shall be deemed to be a Change in IPC Recommendation unless the board of directors of IPC expressly reaffirms its recommendation to its shareholders in favor of approval of this Agreement and the transactions contemplated hereby) or (ii) informing any person of the existence of the provisions contained in this Section 5.5.

(f) Superior Proposal means a bona fide unsolicited written Acquisition Proposal from any person (other than Validus or its subsidiaries) that did not result from a breach by IPC of this Section 5.5, which the board of directors of IPC concludes in good faith, after consultation with its outside legal counsel and its financial advisors, taking into account the legal, financial, regulatory, timing and other aspects of the Acquisition Proposal and the person making the Acquisition Proposal (including any break-up fees, expense reimbursement provisions and conditions to consummation) is in the long-term best interests of IPC including its shareholders, employees, communities and other stakeholders, taking into account the long-term strategic prospects and other benefits of the transactions contemplated by this Agreement, and (i) is more favorable to IPC, its shareholders and other constituencies than the transactions contemplated by this Agreement (after giving effect to all adjustments to this Agreement which may be offered by Validus under Section 5.5(d) in response to such Acquisition Proposal), (ii) is fully financed or reasonably capable of being fully financed, reasonably likely to receive all required governmental approvals and otherwise reasonably capable of being completed on the terms proposed and (iii) that could be reasonably likely to require the board of directors of IPC to make a Change in IPC Recommendation in order to comply with its directors' fiduciary duties under applicable Law; provided that, for purposes of this definition of Superior Proposal, the term Acquisition Proposal shall have the meaning assigned to such term in Section 5.5(a)(i), except that the reference to 10% or more of its voting power or the voting power of any of its subsidiaries in the definition of Acquisition Proposal shall be deemed to be a reference to 50% or more of its total voting power or the voting power of any of its subsidiaries and the reference to 10% or more of the consolidated assets in the definition of Acquisition Proposal shall be deemed to be a reference to all or substantially all of the consolidated assets.

5.6 Section 16 Matters. Prior to the Effective Time, each of Validus and IPC shall use its commercially reasonable efforts to cause to be exempt under Rule 16b -3 promulgated under the Exchange Act any dispositions of IPC Common Shares or acquisitions of Validus Common Shares (including, in each case, derivative securities) resulting from the transactions contemplated hereby by each director or officer of IPC who is subject to the reporting requirements of Section 16(a) of the Exchange Act with respect to IPC.

5.7 Fees and Expenses. Whether or not the Amalgamation is consummated, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such expense, except as otherwise provided herein, and except that

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expenses incurred in connection with filing, printing and mailing the Joint Proxy Statement/Prospectus and the Form S-4 shall be shared equally by IPC and Validus.

5.8 Indemnification; Directors and Officers Insurance.

(a) From and after the Effective Time, Validus shall cause the Amalgamated Company to, to the fullest extent permitted by applicable Law (and, in the case of former officers and directors, to the extent permitted by the bye-laws of IPC and the Amalgamated Company prior to the Closing), indemnify, defend and hold harmless, and provide advancement of expenses to, each person who is now, or has been at any time prior to the date hereof or who becomes prior to the Effective Time, a director or officer of IPC (the Indemnified Parties) against all losses, claims, damages, costs, expenses, liabilities or judgments or amounts that are paid in settlement of or in connection with any claim, action, suit, proceeding or investigation based in whole or in part on or arising in whole or in part out of the fact that such person is or was a director or officer of IPC or any of its respective subsidiaries, and pertaining to any matter existing or occurring, or any acts or omissions occurring, at or prior to the Effective Time, whether asserted or claimed prior to, at or after, the Effective Time (including matters, acts or omissions occurring in connection with the approval of this Agreement and the consummation of the transactions contemplated hereby) to the same extent such persons are indemnified or have the right to advancement of expenses as of the date of this Agreement by IPC or any of its respective subsidiaries pursuant to the relevant entity's memorandum of association, bye-laws and indemnification agreements and resolutions, if any, in existence on the date hereof.

(b) For a period of six years after the Effective Time, Validus shall purchase as of the Effective Time, a tail policy to the existing directors and officers liability insurance maintained by IPC with respect to claims arising from facts or events which occurred at or before the Effective Time, and which tail policy shall contain substantially the same coverage and amounts as, and contain terms and conditions no less advantageous than the coverage provided by the existing policy of IPC as of the date of this Agreement; provided, however, that in no event shall Validus be required to expend for the entire tail policy, in excess of 350% of the annual premium currently provided by IPC for its existing policy of directors and officers liability insurance; and provided further that, if the premium of such insurance coverage exceeds such amount, Validus shall be obliged to obtain a policy with the greatest coverage available for a cost not to exceed such amount. At the request of Validus, IPC shall cooperate with Validus to obtain such a tail policy effective as of the Effective Time.

(c) In the event that Validus or the Amalgamated Company or any of its successors or assigns (i) consolidates or amalgamates with or merges into any other person and is not the continuing or surviving corporation or entity of such consolidation or amalgamation or (ii) transfers or conveys all or substantially all of its properties and assets to any person (including by dissolution), then, and in each such case, Validus shall cause proper provision to be made so that the successors and assigns of Validus or the Amalgamated Company assume and honor the obligations set forth in this Section 5.8.

(d) [Reserved].

(e) The provisions of this Section 5.8: (i) are intended to be for the benefit of, and shall be enforceable by, each Indemnified Party, his or her heirs and legal representatives and (ii) are in addition to, and not in substitution for, any other rights to indemnification or contribution that any such person may have by contract or otherwise.

5.9 Public Announcements. The press release to be issued after the execution of this Agreement by all parties regarding the Amalgamation shall be a joint press release and thereafter each of Validus and IPC shall, except as may be required by applicable Law or by obligations pursuant to any

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listing agreement with or rules of NASDAQ or the NYSE, as applicable, or by request of any Governmental Entity, consult with the other party before issuing any press release or otherwise making any public statement with respect to this Agreement or the transactions contemplated hereby; provided, however, that this consultation obligation shall not apply to any press release or other public statement relating to any actual or contemplated litigation between the parties to this Agreement.

5.10 Additional Agreements. In case any further action is necessary or desirable to carry out the purposes of this Agreement or to vest the Amalgamated Company with full title to all properties, assets, rights, approvals, permits, authorizations, immunities and franchises of IPC and its subsidiaries, the parties shall use commercially reasonable efforts to cause their respective officers and directors to take all such necessary action.

5.11 Shareholder Litigation. IPC shall give Validus the reasonable opportunity to participate in the defense of any shareholder litigation against IPC or its directors or officers relating to this Agreement and the transactions contemplated hereby.

5.12 Employee Benefits.

(a) [Reserved].

(b) As of the Closing Date, Validus shall, or shall cause one of its subsidiaries to, continue to employ each person employed by Validus or IPC or any of their respective subsidiaries as of the Closing Date (such employees, collectively, the Employees). Except as expressly provided below, nothing contained herein shall restrict Validus in the future in the exercise of its independent, good-faith business judgment as to the terms and conditions under which such employment shall continue, the duration of such employment, the basis on which such employment is terminated or the benefits provided to any Employee.

(c) For a period of not less than one year following the Closing Date, Validus shall (or shall cause its subsidiaries to) make available to the Employees that immediately prior to the Closing were employed by IPC, employee benefits and compensation opportunities (including salary, wages and bonus opportunity) substantially comparable in the aggregate to the employee benefits and compensation opportunities in effect for IPC employees immediately prior to the Closing.

(d) Validus and its subsidiaries shall ensure that any Compensation and Benefit Plan in which the Employees are eligible to participate after the Closing Date shall take into account for purposes of eligibility and vesting thereunder, except for purposes of qualifying for subsidized early retirement benefits or to the extent it would result in a duplication of benefits, service by the Employees with IPC and any of its subsidiaries prior to the Closing Date, to the same extent such service was credited prior to the Closing Date under a comparable Compensation and Benefit Plan of IPC.

(e) From and after the Closing Date, Validus shall honor all IPC Benefit Plans, in accordance with their terms as in effect immediately before the Closing Date; provided that nothing herein shall limit the right of Validus to amend or terminate any such plan in accordance with its terms.

(f) Notwithstanding the foregoing, nothing herein shall (i) be treated as an amendment of any Compensation and Benefit Plan or (ii) give any third party any right to enforce the provisions of this Section 5.12.

5.13 Listing and Delisting; Reservation for Issuance. Validus shall use its commercially reasonable efforts to cause all the following shares to be approved for listing and quotation on the NYSE, subject to official notice of issuance, no later than the Closing Date: (i) all Validus

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NYSE, subject to official notice of issuance, no later than the Closing Date: (i) all Validus Common Shares to be issued in the Amalgamation to IPC shareholders and (ii) all Validus Common Shares to be reserved for issuance upon exercise or vesting of the IPC Share Options or IPC Other Awards (collectively, the Listed Validus Common Shares). Validus shall take all action necessary to reserve for issuance, prior to the Closing Date, any Listed Validus Common Shares that, by their terms and in accordance with this Agreement, will not be issued until after the Effective Time. Validus shall use its commercially reasonable efforts to cause the IPC Common Shares to no longer be listed or quoted on NASDAQ and to be deregistered under the Exchange Act as soon as practicable following the Effective Time.

5.14 Dividends. IPC and Validus shall coordinate the declaration, setting of record dates and payment dates of dividends of IPC Common Shares and Validus Common Shares so that holders of IPC Common Shares do not receive dividends on both IPC Common Shares and the Validus Common Shares received in the Amalgamation in respect of any calendar quarter or fail to receive a dividend on either the IPC Common Shares or the Validus Common Shares received in the Amalgamation in respect of any calendar quarter. For the avoidance of doubt, the purpose of this Section 5.14 is to ensure that the holders of the Validus Common Shares and IPC Common Shares each receive the same number of quarterly dividends after execution of this Agreement and prior to the Effective Time with respect to such shares.

5.15 Tax Treatment.

(a) The parties intend the Amalgamation to qualify as a reorganization within the meaning of Section 368(a) of the Code and to obtain the opinions described in Sections 6.2(e) and 6.3(e) of this Agreement. Each of IPC, Amalgamation Sub and Validus and each of their respective affiliates shall use commercially reasonable efforts to cause the Amalgamation to so qualify and to obtain such opinions, and unless otherwise required by applicable Law or by any other provision of this Agreement, shall not take any actions, or cause any actions to be taken, which would reasonably be expected to cause the Amalgamation to fail so to qualify or the opinions to fail to be delivered.

(b) Validus shall cause (i) Amalgamation Sub to file with the United States Internal Revenue Service a properly completed Form 8832, so as to elect to be treated as a disregarded entity for U.S. federal tax purposes effective at least one day prior to the Closing Date, and (ii) the Amalgamated Company to file, after the Closing Date, with the United States Internal Revenue Service a properly completed Form 8832, so as to cause it to be treated for U.S. federal tax purposes as a disregarded entity effective as of the Closing Date.

5.16 Book Value Calculations.

(a) On the first business day after the date of its shareholder meeting held pursuant to Section 5.1, unless this Agreement is earlier terminated pursuant to Section 7.1, either Validus or IPC (the Requesting Party) may request, by providing notice in writing delivered to the other party (the Non-Requesting Party), that the Non-Requesting Party prepare an estimate of the Non-Requesting Party's book value as of the date that is one (1) business day prior to such shareholder meeting (such date, the Measurement Date, and such estimate of book value, a Book Value Estimate).

(b) If a Requesting Party makes a request pursuant to Section 5.16(a), then both the Requesting Party and the Non-Requesting Party shall each promptly, and in any event within five (5) calendar days, prepare Book Value Estimates and provide such Book Value Estimates, together with reasonable supporting analysis, to each other. If the Requesting Party fails to provide such Book Value Estimate within such five (5) calendar day period, then the Requesting Party shall have no further rights under this

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Section 5.16 or Sections 7.1(h) or 7.1(i), as the case may be. For the avoidance of doubt, the parties hereby agree that, if either party requests a Book Value Estimate, the Closing Date shall not occur until the agreements and covenants set forth in this Section 5.16 have been satisfied or waived.

(c) From and after the time that the Book Value Estimates have both been delivered, each party shall have five (5) calendar days to review the other party's Book Value Estimate and supporting analysis and such other information as the party may reasonably request in connection with its review of the other party's Book Value Estimate. The parties understand and agree that no reserve development occurring from and after the Measurement Date shall increase or reduce either party's Book Value Estimate.

(d) If either party's Book Value Estimate indicates that such party has experienced a decline in book value of more than 50% from December 31, 2008 to the Measurement Date (a 50% Book Value Decline), then the other party shall have the right to terminate this Agreement pursuant to and in accordance with Section 7.1(h) or Section 7.1(i), as appropriate.

(e) If the parties' Book Value Estimates indicate that the percentage decline in either party's book value from December 31, 2008 to the Measurement Date is more than 20 percentage points greater than the percentage decline of the other party's book value from December 31, 2008 to the Measurement Date (a 20% Differential Book Value Decline), then the party with the lesser decline in book value over such period shall have the right to terminate this Agreement pursuant to and in accordance with Section 7.1(h) or Section 7.1(i), as appropriate; provided that, for purposes of measuring the 20% Differential Book Value Decline, if any, the book value of any party that has experienced an increase in book value from December 31, 2008 to the Measurement Date shall be deemed to have experienced no change in its book value.

(f) If, after complying with this Section 5.16, neither party has experienced a 50% Book Value Decline or a 20% Differential Book Value Decline, then (i) in accordance with the terms this Agreement, each party shall cooperate and consult with the other party with respect to, and will use its commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under this Agreement and applicable Laws to consummate the Amalgamation and the other transactions contemplated by this Agreement as promptly as practicable and (ii) if all other conditions to Closing set forth in Article VI (excluding conditions that, by their terms, are to be satisfied on the Closing Date) have been satisfied or waived as of the third business day after the condition in Section 6.1(a) was satisfied, then notwithstanding the provisions of Section 6.2(a) or Section 6.3(a) (as the case may be) or any other provision of this Agreement, no representations or warranties of the Non-Requesting Party set forth in this Agreement need be true and correct as of any date after the third business day after the date on which the condition in Section 6.1(a) was satisfied and any certificate of the Non-Requesting Party delivered pursuant to Section 6.2(c) or Section 6.3(c) (as the case may be) shall reflect the foregoing.

ARTICLE VI

CONDITIONS PRECEDENT

6.1 Conditions to Each Party's Obligation to Effect the Amalgamation. The respective obligation of each party to effect the Amalgamation shall be subject to the satisfaction prior to the Closing of the following conditions, unless waived by both IPC and Validus:

(a) Shareholder Approval. Validus shall have obtained the Required Validus Vote, and IPC shall have obtained the Required IPC Vote.

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(b) NYSE Listing. The Listed Validus Common Shares shall have been authorized for listing on NYSE, subject to official notice of issuance.

(c) Requisite Regulatory Approvals. The authorizations, consents, orders or approvals of, or declarations or filings with, and the expirations of waiting periods required from, any Governmental Entity set forth in Section 6.1(c) of the Validus Disclosure Letter and Section 6.1(c) of the IPC Disclosure Letter, to the extent required, shall have been filed, have occurred or been obtained (all such permits, approvals, filings and consents and the lapse of all such waiting periods being referred to as the Requisite Regulatory Approvals).

(d) Form S-4. The Form S-4 shall have become effective under the Securities Act and shall not be the subject of any stop order or proceedings seeking a stop order.

(e) No Injunctions or Restraints: Illegality. No temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction preventing the consummation of the Amalgamation shall be in effect. There shall not be any action taken, or any Law enacted, entered, enforced or made applicable to the Amalgamation, by any Governmental Entity of competent jurisdiction that makes the consummation of the Amalgamation illegal or otherwise restrains, enjoins or prohibits the Amalgamation.

6.2 Conditions to Obligation of IPC. The obligation of IPC to effect the Amalgamation is subject to the satisfaction of the following conditions unless waived by IPC:

(a) Representations and Warranties. (i) The representations and warranties of Validus set forth in Section 3.8 shall be true and correct in all respects as of the date hereof and the Closing Date as though made on and as of the Closing Date, (ii) the representations and warranties of Validus (and Amalgamation Sub, as applicable) set forth in Sections 3.2, 3.3(a), 3.9(b) (other than in the case of a Change in Validus Recommendation pursuant to Section 5.4(b)), 3.10(a) and 3.22 shall be true and correct in all material respects as of the date hereof and the Closing Date as though made on and as of the Closing Date (except for such representations and warranties made only as of a specified date, which shall be true and correct in all material respects as of such date) and (iii) each of the other representations and warranties of Validus set forth in ARTICLE III of this Agreement shall be true and correct in all respects as of the date hereof and the Closing Date as though made on and as of the Closing Date (except for such representations and warranties made only as of a specified date, which shall be true and correct as of such date), except where the failure of any such representations and warranties to be true and correct (without giving effect to any materiality or Material Adverse Effect or similar qualifier set forth therein) has not had and would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect on Validus.

(b) Performance of Obligations of Validus. Validus shall have performed or complied in all respects with all agreements and covenants required to be performed by it under this Agreement at or prior to the Closing Date that are qualified as to materiality or Material Adverse Effect, and shall have performed or complied in all material respects with all other obligations required to be performed by it under this Agreement at or prior to the Closing Date.

(c) Certification. IPC shall have received a certificate signed on behalf of Validus by the Chief Executive Officer or the Chief Financial Officer of Validus, certifying that the conditions set forth in Section 6.2(a) and Section 6.2(b) have been satisfied.

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(d) **Burdensome Regulatory Condition.** There shall not be any action taken, or any Law enacted, entered, enforced or deemed applicable to the Amalgamation or the transactions contemplated by this Agreement by any Governmental Entity of competent jurisdiction (including any Requisite Regulatory Approval), which imposes any term, condition, obligation or restriction upon Validus, the Amalgamated Company or their respective subsidiaries that would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Validus and its subsidiaries (including the Amalgamated Company and its subsidiaries) on a consolidated basis after the Effective Time.

(e) **Opinion of Tax Counsel.** IPC shall have received an opinion from Sullivan & Cromwell LLP, special counsel to IPC, dated the Closing Date, to the effect that, on the basis of the facts, representations and assumptions set forth or referred to in such opinion, (i) the Amalgamation will be treated for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code, (ii) each of IPC and Validus will be a party to that reorganization within the meaning of Section 368(b) of the Code and (iii) IPC will be treated, in respect of any shareholder who will own after the Amalgamation less than five percent of the issued IPC Common Shares (as determined under Treasury Regulations Section 1.367(a)-3(b)(1)(i)), as a corporation under Section 367(a) of the Code with respect to each transfer of property thereto pursuant to the Amalgamation. In rendering its opinion, Sullivan & Cromwell LLP may require and rely upon representations contained in letters from each of IPC and Validus.

6.3 **Conditions to Obligation of Validus.** The obligation of Validus to effect the Amalgamation is subject to the satisfaction of the following conditions unless waived by Validus:

(a) **Representations and Warranties.** (i) The representations and warranties of IPC set forth in Section 3.8 shall be true and correct in all respects as of the date hereof and the Closing Date as though made on and as of the Closing Date, (ii) the representations and warranties of IPC set forth in Sections 3.2, 3.3(a), 3.9(a) (other than in the case of a Change in IPC Recommendation pursuant to Section 5.4(b)), 3.10(b) and 3.22 shall be true and correct in all material respects as of the date hereof and the Closing Date as though made on and as of the Closing Date (except for such representations and warranties made only as of a specified date, which shall be true and correct in all material respects as of such date) and (iii) each of the other representations and warranties of IPC set forth in ARTICLE III of this Agreement shall be true and correct in all respects as of the date hereof and the Closing Date as though made on and as of the Closing Date (except for such representations and warranties made only as of a specified date, which shall be true and correct as of such date), except where the failure of any such representations and warranties to be true and correct (without giving effect to any materiality or Material Adverse Effect or similar qualifier set forth therein) has not had, and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on IPC.

(b) **Performance of Obligations of IPC.** IPC shall have performed or complied in all respects with all agreements and covenants required to be performed by it under this Agreement at or prior to the Closing Date that are qualified as to materiality or Material Adverse Effect, and shall have performed or complied in all material respects with all other obligations required to be performed by it under this Agreement at or prior to the Closing Date.

(c) **Certification.** Validus shall have received a certificate signed on behalf of IPC by the Chief Executive Officer or the Chief Financial Officer of IPC, certifying that the conditions set forth in Section 6.3(a) and Section 6.3(b) have been satisfied.

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(d) Burdensome Regulatory Condition. There shall not be any action taken, or any Law enacted, entered, enforced or deemed applicable to the Amalgamation or the transactions contemplated by this Agreement by any Governmental Entity of competent jurisdiction (including any Requisite Regulatory Approval), which imposes any term, condition, obligation or restriction upon Validus, the Amalgamated Company or their respective subsidiaries that would, individually or the aggregate, reasonably be expected to have a Material Adverse Effect on Validus and its subsidiaries (including the Amalgamated Company and its subsidiaries) on a consolidated basis after the Effective Time.

(e) Opinion of Tax Counsel. Validus shall have received an opinion from Cahill Gordon & Reindel LLP, special counsel to Validus, dated the Closing Date, to the effect that, on the basis of the facts, representations and assumptions set forth or referred to in such opinion, (i) the Amalgamation will be treated for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code, (ii) each of IPC and Validus will be a party to that reorganization within the meaning of Section 368(b) of the Code and (iii) IPC will be treated, in respect of any shareholder who will own after the Amalgamation less than five percent of the issued IPC Common Shares (as determined under Treasury Regulations Section 1.367(a)-3(b)(1)(i)), as a corporation under Section 367(a) of the Code with respect to each transfer of property thereto pursuant to the Amalgamation. In rendering its opinion, Cahill Gordon & Reindel LLP may require and rely upon representations contained in letters from each of IPC and Validus.

(f) Credit Facility Waivers. All amendments or waivers under (x) IPC's credit facilities and (y) Validus' credit facilities, in each case, as determined by Validus to be necessary to consummate the Amalgamation and the other transactions contemplated hereby, shall be in full force and effect.

ARTICLE VII

TERMINATION AND AMENDMENT

7.1 Termination. This Agreement may be terminated, at any time prior to the Effective Time, by action taken or authorized by the board of directors of the terminating party or parties, whether before or after any Required Shareholder Vote has been obtained only:

(a) by mutual consent of IPC, Amalgamation Sub and Validus in a written instrument;

(b) by either IPC or Validus, upon written notice to the other party, if a Governmental Entity of competent jurisdiction that must grant a Requisite Regulatory Approval has denied such Requisite Regulatory Approval and such denial has become final and non-appealable; or any Governmental Entity of competent jurisdiction shall have issued an order, judgment, decision, decree or ruling or taken any other action permanently restraining, enjoining or otherwise prohibiting the Amalgamation, and such order, decree, ruling or other action has become final and non-appealable; provided that the right to terminate this Agreement under this Section 7.1(b) shall not be available to any party whose failure to comply in any material respect with Section 5.3 or any other provision of this Agreement has been the direct cause of, or resulted directly in, such action;

(c) by either IPC or Validus, upon written notice to the other party, if the Amalgamation shall not have been consummated on or before the later of (x) November 30, 2009 or (y) the date that is five months after the date of execution of this Agreement by all parties; provided that the right to terminate this Agreement under this Section 7.1(c) shall not be available to any party

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whose failure to comply in any material respect with any provision of this Agreement has been the direct cause of, or resulted directly in, the failure of the Effective Time to occur on or before such date;

(d) by IPC or Validus, upon written notice to the other party, if the non-terminating party's board of directors shall have (i) effected a Change in Validus Recommendation or Change in IPC Recommendation, as the case may be (including by amending or supplementing the Joint Proxy Statement/Prospectus to effect a Change in Validus Recommendation or Change in IPC Recommendation, as the case may be), (ii) failed to include the Validus Recommendation or IPC Recommendation, as the case may be, in the Joint Proxy Statement/Prospectus in accordance with Section 5.1(b) or 5.1(c), or (iii) with respect to IPC only, materially breached its obligations under Section 5.5(a)(iii) or 5.5(d);

(e) by either IPC or Validus if the terminating party is not in material breach of its obligations under this Agreement, upon written notice to the other party, if there shall have been a breach by the other party of any of the covenants or agreements or any of the representations or warranties set forth in this Agreement on the part of such other party, which breach would, individually or in the aggregate, result in, if occurring or continuing on the Closing Date, the failure of the conditions set forth in Section 6.2(a) or 6.2(b) or Section 6.3(a) or 6.3(b), as the case may be, and which breach has not been cured within 45 days following written notice thereof to the breaching party or, by its nature, cannot be cured within such time period;

(f) by either IPC or Validus, if the Required IPC Vote or Required Validus Vote shall not have been obtained upon a vote taken thereon at the duly convened IPC Shareholders Meeting or Validus Shareholders Meeting, as the case may be, or any adjournment or postponement thereof at which the applicable vote was taken;

(g) by Validus, if the total number of Dissenting Shares exceeds 15% of the issued and outstanding IPC Common Shares on the business day immediately following the last day on which the holders of IPC Common Shares can require appraisal of their IPC Common Shares pursuant to Bermuda Law;

(h) by IPC, after the IPC Shareholders Meeting, if (i) IPC is a Requesting Party and (ii) it is determined, in accordance with Section 5.16, that (A) Validus has experienced a 50% Book Value Decline or (B) there is a 20% Differential Book Value Decline and Validus's book value has declined by a greater percentage than IPC's book value; or

(i) by Validus, after the Validus Shareholders Meeting, if (i) Validus is a Requesting Party and (ii) it is determined, in accordance with Section 5.16, that (A) IPC has experienced a 50% Book Value Decline or (B) there is a 20% Differential Book Value Decline and IPC's book value has declined by a greater percentage than Validus's book value.

7.2 Effect of Termination.

(a) In the event of termination of this Agreement by either Validus or IPC as provided in Section 7.1, this Agreement shall forthwith become void, and there shall be no liability or obligation on the part of IPC, Amalgamation Sub or Validus or their respective officers or directors under or arising from this Agreement, except with respect to Section 5.2(b) (Confidentiality), Section 5.7 (Fees and Expenses), this Section 7.2 (Effect of Termination), and ARTICLE VIII (General Provisions), which shall survive such termination, except that no party shall be relieved or released from any liabilities or damages arising out of its willful breach of this Agreement.

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(b) If IPC or Validus, as the case may be, terminates this Agreement pursuant to Section 7.1(d), then the non-terminating party shall, as promptly as reasonably practicable (and, in any event, within three business days following such termination), pay to the terminating party, by wire transfer of immediately available funds, \$16,000,000 (the Termination Fee).

(c) If either party terminates this Agreement pursuant to Section 7.1(c), and (i) prior to the later of (x) November 30, 2009 or (y) the date that is five months after the date of execution of this Agreement by all parties, an Acquisition Proposal (which for the purposes of this Section 7.2(c) shall apply to an Acquisition Proposal for either IPC or Validus) shall have been publicly announced or otherwise communicated to the officers of the non-terminating party or its board of directors, and (ii) within 12 months of the date of such termination of this Agreement, the non-terminating party enters into or consummates an Acquisition Transaction with the person (or its affiliate) that made such Acquisition Proposal, then the non-terminating party shall pay to the terminating party upon the earlier of the date of such execution or such consummation, by wire transfer of immediately available funds, the Termination Fee.

(d) If either party terminates this Agreement pursuant to Section 7.1(e) and (i) at any time after the date of this Agreement and at or before the date of the Validus Shareholders Meeting (if Validus is the non-terminating party) or the IPC Shareholders Meeting (if IPC is the non-terminating party), as the case may be, an Acquisition Proposal (which for the purposes of this Section 7.2(d) shall apply to an Acquisition Proposal for either IPC or Validus) shall have been publicly announced or otherwise communicated to the officers of the non-terminating party or its board of directors, and (ii) within 12 months of the date of such termination of this Agreement, the non-terminating party enters into or consummates an Acquisition Transaction with the person (or its affiliate) that made such Acquisition Proposal, then the non-terminating party shall pay to the terminating party upon the earlier of the date of such execution or such consummation, by wire transfer of immediately available funds, the Termination Fee.

(e) If IPC or Validus, as the case may be, terminates this Agreement pursuant to Section 7.1(f) because the Required Validus Vote has not been obtained (and, if IPC is the terminating party, the Required IPC Vote has not been taken yet or has already been obtained), and if (i) at any time on or after the date of this Agreement and at or before the date of the Validus Shareholders Meeting, an Acquisition Proposal (which for the purposes of this Section 7.2(e) shall apply to an Acquisition Proposal for Validus) shall have been publicly announced or otherwise communicated to the officers of Validus or Validus' s board of directors, and (ii) within 12 months of the date of such termination of this Agreement, Validus or any of its subsidiaries enters into or consummates an Acquisition Transaction with the person (or its affiliate) that made such Acquisition Proposal, then Validus shall pay the Termination Fee to IPC upon the earlier of the date of such execution or such consummation.

(f) If IPC or Validus, as the case may be, terminates this Agreement pursuant to Section 7.1(f) because the Required IPC Vote has not been obtained (and, if Validus is the terminating party, the Required Validus Vote has not been taken yet or has already been obtained) and (i) at any time on or after the date of this Agreement and at or before the date of the IPC Shareholders Meeting, an Acquisition Proposal (which for the purposes of this Section 7.2(f) shall apply to an Acquisition Proposal for IPC) is publicly announced or otherwise communicated to the officers of IPC or IPC' s board of directors, and (ii) within 12 months of the date of such termination of this Agreement, IPC or any of its subsidiaries enters into or consummates an Acquisition Transaction with the person (or its affiliate) that made such Acquisition Proposal, then IPC shall pay the Termination Fee to Validus upon the earlier of the date of such execution or such consummation.

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ARTICLE VIII
GENERAL PROVISIONS

8.1 Non-Survival of Representations, Warranties and Agreements. Except for Section 5.8 and any provision of this ARTICLE VIII to the extent it is related to a claim under Section 5.8, none of the representations, warranties, covenants and agreements in this Agreement or in any instrument delivered pursuant to this Agreement, including any rights arising out of any breach of such representations, warranties, covenants, and agreements, shall survive the Effective Time, except for those covenants and agreements contained herein and therein that by their terms apply or are to be performed in whole or in part after the Effective Time.

8.2 Notices. All notices and other communications hereunder shall be in writing and shall be deemed duly given (a) on the date of delivery if delivered personally, or by email, telecopy or facsimile, upon confirmation of receipt, (b) on the first business day following the date of dispatch if delivered by a recognized next-day courier service, or (c) on the third business day following the date of mailing if delivered by registered or certified mail, return receipt requested, postage prepaid. All notices hereunder shall be delivered as set forth below or pursuant to such other instructions as may be designated in writing by the party to receive such notice.

(a) If to IPC, to

IPC Holdings, Ltd.
29 Richmond Road
Pembroke HM 08
Bermuda

Attention: James P. Bryce
John R. Weale

Facsimile: +1 (441) 292-8085

with a copy to (which shall not constitute notice):

Sullivan & Cromwell LLP
125 Broad Street
New York, New York 10004

Attention: Andrew S. Rowen, Esq.
Melissa Sawyer, Esq.

Facsimile: +1 (212) 558-3588

(b) If to Validus, to

Validus Holdings Ltd.
19 Par-La-Ville Road
Hamilton, HM 11
Bermuda

Attention: C. Jerome Dill
Joseph E. (Jeff) Consolino

Facsimile: +1 (441) 278-9000

with a copy to (which shall not constitute notice):

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Cahill Gordon & Reindel LLP
80 Pine Street
New York, NY 10005
Attention: John Schuster, Esq.
Facsimile: +1 (212) 701-3000

8.3 **Interpretation.** When a reference is made in this Agreement to sections or subsections, such reference shall be to a section or subsection of this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words include, includes or including are used in this Agreement, they shall be deemed to be followed by the words without limitation. The words herein, hereof, hereunder and words of similar import shall be deemed to refer to this Agreement as a whole, including the schedules and exhibits hereto, and not to any particular provision of this Agreement. Any pronoun shall include the corresponding masculine, feminine and neuter forms. References to party or parties in this Agreement mean IPC, Amalgamation Sub and/or Validus, as the case may be. References to person in this Agreement mean an individual, a company, a corporation, a limited liability company, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or any agency or instrumentality thereof. References to subsidiary in this Agreement means, as to any person, any other person of which more than 50% of the effective voting power or equity or other ownership interests is directly or indirectly owned by such person. References to affiliate in this Agreement means, as to any person, any other person which, directly or indirectly, controls, or is controlled by, or is under common control with, such person. As used in this Agreement, control (including, with its correlative meanings, controlled by and under common control with) means the possession, directly or indirectly, of the power to direct or cause the direction of management or policies of a person, whether through the ownership of securities or partnership or other ownership interests, by contract or otherwise. As used in this Agreement, knowledge means the actual knowledge, without due inquiry, of the officers of Validus set forth in Section 8.3 of the Validus Disclosure Letter or the officers of IPC set forth in Section 8.3 of the IPC Disclosure Letter, as the case may be. References to US dollar, dollars, US\$ or \$ in this Agreement are to the lawful currency of the United States of America. As used in this Agreement, business day means any day other than a Saturday, Sunday or other day on which banking institutions in New York or Bermuda are obligated by Law or executive order to be closed.

8.4 **Counterparts.** This Agreement may be executed in separate counterparts, each of which shall be considered one and the same agreement and shall become effective when each of the parties has delivered a signed counterpart to the other parties, it being understood that all parties need not sign the same counterpart. Such counterpart executions may be transmitted to the parties by facsimile or electronic transmission, which shall have the full force and effect of an original signature.

8.5 **Entire Agreement: No Third Party Beneficiaries.** This Agreement (including the Validus Disclosure Letter and the IPC Disclosure Letter) (a) constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof which shall survive the execution and delivery of this Agreement and shall terminate in accordance with its terms and (b) is not intended to confer upon any person other than the parties any rights or remedies hereunder, except (i) for the rights of the holders of IPC Common Shares to receive the Amalgamation Consideration pursuant to and subject to this Agreement if the Effective Time occurs, and (ii) as provided in Section 5.8(c).

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8.6 Governing Law. This Agreement shall be governed in all respects, including as to validity, interpretation and effect, by the Laws of Bermuda, without giving effect to its principles or rules of conflict of laws.

8.7 Severability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability and, unless the effect of such invalidity or unenforceability would prevent the parties from realizing the major portion of the economic benefits of the Amalgamation that they currently anticipate obtaining therefrom, shall not render invalid or unenforceable the remaining terms and provisions of this Agreement or affect the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

8.8 Assignment. Neither this Agreement nor any of the rights, interests or obligations of the parties hereunder shall be assigned by any of the parties (whether by operation of Law or otherwise) without the prior written consent of the other parties, which may be granted or withheld in the sole discretion of the other parties. Any attempt to make any such assignment without such consent shall be null and void. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and permitted assigns.

8.9 Enforcement. The parties agree that money damages would be both incalculable and an insufficient remedy and that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms on a timely basis or were otherwise breached. It is accordingly agreed that, subject to the discretion of the Chosen Court (as defined in Section 8.10), the parties shall be entitled to an injunction or other equitable relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in any court identified in Section 8.10, this being in addition to any other remedy to which they are entitled at law or in equity.

8.10 Submission to Jurisdiction. Each party irrevocably and unconditionally consents, agrees and submits to the exclusive jurisdiction of the Bermuda Supreme Court (and appropriate appellate courts therefrom) (the Chosen Courts), for the purposes of any litigation, action, suit or other proceeding arising out of or relating to this Agreement or any transaction contemplated hereby. Each party agrees to commence any litigation, action, suit or proceeding relating hereto only in the Bermuda Supreme Court, or if such litigation, action, suit or other proceeding may not be brought in such court for reasons of subject matter jurisdiction, in the other appellate courts therefrom or other courts of Bermuda. Each party irrevocably and unconditionally waives any objection to the laying of venue of any litigation, action, suit or proceeding arising out of this Agreement or the transactions contemplated hereby in the Chosen Courts, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum. Each party further irrevocably consents to and grants any such court jurisdiction over the person of such parties and, to the extent legally effective, over the subject matter of any such dispute and agrees that mailing of process or other papers in connection with any such action or proceeding in the manner provided in Section 8.2 or in such other manner as may be permitted by Law, shall be valid and sufficient service thereof. The parties agree that a final judgment in any such suit, action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law.

8.11 Amendment. This Agreement may be amended by the parties, by action taken or authorized by their respective Boards of Directors, at any time before or after approval of the matters presented in connection with the Amalgamation by the shareholders of Validus or of IPC, but, after any

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such approval, no amendment shall be made which by Law requires further approval by such shareholders without such further approval. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties by their duly authorized representatives.

8.12 Extension; Waiver. At any time prior to the Effective Time, the parties may, to the extent legally allowed, (i) extend the time for the performance of any of the obligations or other acts of the other party, (ii) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto and (iii) waive compliance with any of the agreements or conditions contained herein. Any agreement on the part of a party to any such extension or waiver shall be valid only if set forth in a written instrument signed on behalf of such party. The failure of a party to assert any of its rights under this Agreement or otherwise shall not constitute a waiver of those rights. No single or partial exercise of any right, remedy, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. Any waiver shall be effective only in the specific instance and for the specific purpose for which given and shall not constitute a waiver to any subsequent or other exercise of any right, remedy, power or privilege hereunder.

8.13 Defined Terms.

(a) For purposes of this Agreement, each of the following terms shall have the meaning set forth below.

Acquisition Transaction means with respect to any person, any amalgamation, merger, reorganization, share exchange, consolidation, business combination, recapitalization, liquidation, dissolution or similar transaction involving it or any of its subsidiaries or any purchase or sale of 35% or more of the consolidated assets (including, without limitation, stock of its subsidiaries) of it and its subsidiaries, taken as a whole, or any purchase or sale of, or tender or exchange offer for, its voting securities that, if consummated, would result in any person (or the shareholders of such person) beneficially owning securities representing 35% or more of its total voting power or the voting power of any of its subsidiaries.

Average Validus Share Price means the volume weighted average price per Validus Common Share on the NYSE (as reported by Bloomberg L.P. or, if not reported thereby, by another authoritative source mutually agreed by the parties) for the five consecutive trading days immediately preceding the second trading day prior to the Closing Date. For all purposes of this Agreement, the Average Validus Share Price shall be calculated to the nearest one-hundredth of one cent.

Compensation and Benefit Plan means any pension, retirement, profit-sharing, deferred compensation, stock option, restricted stock unit, equity-based compensation, performance units, employee stock ownership, severance pay, vacation, retention or other bonus or incentive plan, any other employee program or agreement, any medical, vision, dental, or other health plan, any life insurance plan, and any other employee benefit plan or fringe benefit plan, whether or not tax-qualified or otherwise tax-preferred, maintained by, sponsored in whole or in part by, or contributed to by IPC or Validus or their subsidiaries, as the case may be, for the benefit of their employees, former employees, retirees, dependents, spouses, directors, independent contractors, or other beneficiaries and under which such employees, former employees, retirees, dependents, spouses, directors, independent contractors, or other beneficiaries are eligible to participate and any employment, retention, change in control, severance, termination, consulting or retirement agreement with their current or former employees.

IM Agreement means the Agreement and Plan of Amalgamation, dated as of March 1, 2009, between IPC, IPC Limited, a Bermuda exempted company and Max Capital Group Ltd., a Bermuda exempted company, as amended on March 5, 2009.

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Intellectual Property means (i) trademarks, service marks, Internet domain names, logos, trade dress, trade names, corporate names and any and every other form of trade identity or indicia of origin, and the goodwill associated therewith and symbolized thereby; (ii) inventions, discoveries and patents, and the improvements thereto; (iii) published and unpublished works of authorship and the copyrights therein and thereto (including databases and other compilations of information, computer and electronic data processing programs and software, in both source code and object code); (iv) trade secrets, confidential business and technical information and any other confidential information (including ideas, research and development, know-how, formulae, calculations, algorithms, models, designs, processes, business methods, customer lists and supplier lists) (Trade Secrets); (v) all rights in data and data bases; (vi) all other intellectual property or similar proprietary rights; and (vii) all applications, registrations and renewals for the foregoing.

IPC Benefit Plan means only those Compensation and Benefit Plans maintained by, sponsored in whole or in part by, or contributed to by IPC or its subsidiaries for the benefit of their employees, former employees, retirees, dependents, spouses, directors, independent contractors, or other beneficiaries and under which such employees, former employees, retirees, dependents, spouses, directors, independent contractors, or other beneficiaries are eligible to participate or with respect to which IPC or any of its subsidiaries has any liability.

Material Adverse Effect means, with respect to any party, any change, state of facts, circumstance, event or effect that is materially adverse to (A) the financial condition, properties, assets, liabilities, obligations (whether accrued, absolute, contingent or otherwise), businesses or results of operations of such party and its subsidiaries, taken as a whole, excluding any such change, state of facts, circumstance, event or effect to the extent caused by or resulting from:

- (i) the execution, delivery and announcement of this Agreement and the transactions contemplated hereby,
- (ii) changes in economic, market, business, regulatory or political conditions generally in the United States or in Bermuda or any other jurisdiction in which such party operates or in Bermudian, U.S. or global financial markets,
- (iii) changes, circumstances or events generally affecting the property and casualty insurance and reinsurance industry in the geographic areas in which such party operates,
- (iv) changes, circumstances or events resulting in liabilities under property catastrophe reinsurance, including any effects resulting from any earthquake, hurricane, tornado, windstorm, terrorist act, act of war or other natural or man-made disaster,
- (v) changes in any Law,
- (vi) changes in generally accepted accounting principles or in statutory accounting principles (or local equivalents in the applicable jurisdiction) prescribed by the applicable insurance regulatory authority (GAAP and Applicable SAP , respectively), including accounting and financial reporting pronouncements by the Bermuda Monetary Authority, the Securities and Exchange Commission (the SEC), the National Association of Insurance Commissioners and the Financial Accounting Standards Board,
- (vii) any change or announcement of a potential change in its or any of its subsidiaries credit or claims paying rating or A.M. Best rating or the ratings of any of its or its subsidiaries businesses or securities (provided that this exception shall not prevent or otherwise affect a

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determination that any changes, state of facts, circumstances, events or effects underlying a change described in this clause (vii) has resulted in, or contributed to, a Material Adverse Effect),

(viii) a change in the trading prices or volume of such party's capital stock (provided that this exception shall not prevent or otherwise affect a determination that any changes, state of facts, circumstances, events or effects underlying a change described in this clause (viii) has resulted in, or contributed to, a Material Adverse Effect),

(ix) the failure to meet any revenue, earnings or other projections, forecasts or predictions for any period ending after the date of this Agreement (provided that this exception shall not prevent or otherwise affect a determination that any state of facts, circumstances, events or effects underlying a failure described in this clause (ix) has resulted in, or contributed to, a Material Adverse Effect),

(x) the commencement, occurrence or continuation of any war or armed hostilities, or

(xi) any action or failure to act required to be taken by a party pursuant to the terms of this Agreement, except in the case of the foregoing clauses (ii), (iii), (v), (vi) and (x) to the extent those changes, state of facts, circumstances, events, or effects have a materially disproportionate effect on such party and its subsidiaries taken as a whole relative to other similarly situated persons in the property and casualty insurance and reinsurance industry, and/or (B) the ability of such party to perform its obligations under this Agreement or to consummate the transactions contemplated hereby on a timely basis.

Permitted Encumbrance means (i) statutory liens securing payments not yet due, (ii) such imperfections or irregularities of title, claims, liens, charges, security interests or encumbrances as do not affect the use of the properties or assets subject thereto or affected thereby or otherwise impair business operations at such properties, (iii) restrictions on transfer imposed by Law, (iv) assets pledged or transferred to secure reinsurance or retrocession obligations, (v) ordinary-course securities lending and short-sale transactions, (vi) investment securities held in the name of a nominee, custodian or other record owner, (vii) statutory deposits, or (viii) any failure to hold good title, in each case, that would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

Tax means (i) all federal, state, local or foreign taxes, charges, fees, imposts, levies or other assessments, including all income, gross receipts, capital, sales, use, ad valorem, value added, transfer, franchise, profits, inventory, capital stock, license, withholding, payroll, employment, social security, unemployment, excise, premium, severance, stamp, occupation, property and estimated taxes, customs duties, fees, assessments and charges of any kind whatsoever, (ii) all interest, penalties, fines, additions to tax or additional amounts imposed by any Taxing Authority in connection with any item described in clause (i), and (iii) any transferee liability in respect of any items described in clauses (i) or (ii) payable by reason of contract, assumption, transferee liability, operation of Law, Treasury Regulation Section 1.1502-6(a) (or any predecessor or successor thereof of any analogous or similar provision under Law) or otherwise.

Tax Asset means any loss, net operating loss, net capital loss, investment tax credit, foreign tax credit, charitable deduction, or any other credit or Tax attribute that could be carried forward or carried back to reduce Taxes.

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Tax Return means any return, report or statement filed or required to be filed with respect to any Tax (including any elections, declarations, schedules or attachments thereto, and any amendment thereof) including any information return, claim for refund, amended return or declaration of estimated Tax, and including, where permitted or required, combined, consolidated or unitary returns for any group of entities that includes IPC, Validus or any subsidiaries thereof.

Taxing Authority means the Internal Revenue Service or any other Governmental Entity responsible for the administration of any Tax.

Validus Benefit Plan means only those Compensation and Benefit Plans maintained by, sponsored in whole or in part by, or contributed to by Validus or its subsidiaries for the benefit of their employees, former employees, retirees, dependents, spouses, directors, independent contractors, or other beneficiaries and under which such employees, former employees, retirees, dependents, spouses, directors, independent contractors, or other beneficiaries are eligible to participate or with respect to which Validus or any of its subsidiaries has any liability.

(b) Each of the following terms is defined in the provision listed opposite such term:

Defined Term	Section
20% Differential Book Value Decline	5.16(e)
50% Book Value Decline	5.16(d)
Acquisition Proposal	5.5(a)(i)
Acquisition Transaction	8.13(a)
Administrator	3.12(h)
affiliate	8.3
Agent	3.12(h)
Agreement	Introduction
Amalgamated Company	1.3
Amalgamation	Recitals
Amalgamation Agreement	1.1
Amalgamation Application	1.1
Amalgamation Consideration	2.1(a)
Amalgamation Sub	Introduction
Applicable SAP	8.13(a) (See Material Adverse Effect)
Average Validus Share Price	8.13(a)
Book Value Estimate	5.16(a)
business day	8.3
Change in Validus Recommendation	5.4(a)
Change in IPC Recommendation	5.4(a)
Chosen Courts	8.10
Closing	1.2
Closing Date	1.2
Code	Recitals
Companies Act	Recitals
Compensation and Benefit Plan	8.13(a)
control	8.3
Disclosure Letter	ARTICLE III
Dissenting Shareholder	2.1(c)
Dissenting Shares	2.1(c)

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Defined Term	Section
Effective Time	1.1
Employees	5.12(b)
ERISA	3.15(e)
Exchange Act	3.4(a)
Exchange Agent	2.2(a)
Exchange Fund	2.2(a)
Exchange Ratio	2.1(a)
Financing	4.2(a)
Form S-4	5.1(a)
GAAP	8.13(a) (See Material Adverse Effect)
Governmental Entity	3.3(c)
Greenhill	3.19
IM Agreement	8.13(a)
Indemnified Parties	5.8(a)
Insurance Entities	3.12(a)
Insurance Laws	3.5(a)
Intellectual Property	8.13(a)
Investment Assets	3.13(a)
Investment Policy	3.13(c)
IPC	Introduction
IPC Benefit Plan	8.13(a)
IPC Bye-Law Amendment	3.9(a)
IPC Certificate	2.1
IPC Common Share	2.1
IPC Disclosure Letter	ARTICLE III
IPC Non-Performance Awards	2.3(b)
IPC Other Awards	2.3(b)
IPC Performance Awards	2.3(b)
IPC Recommendation	3.9(a)
IPC Share Option	2.3(a)
IPC Share Plans	3.2(a)
IPC Share Register	2.1
IPC Shareholders Meeting	5.1(c)
Joint Proxy Statement/Prospectus	5.1(a)
JP Morgan	3.19
knowledge	8.3
Laws	3.5(a)
Legal Proceedings	3.6
Listed Validus Common Shares	5.13
Lloyd s	3.5(a)
Lloyd s Regulations	3.12(m)
Material Adverse Effect	8.13(a)
Material Contract	3.14(a)
Measurement Date	5.16(a)
multiemployer plan	3.15(e)
New Option	2.3(a)
Non-Requesting Party	5.16(a)

Non-Vested PSU	2.3(b)
Notice of Superior Proposal	5.5(d)
Notice Period	5.5(d)

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Defined Term	Section
NYSE	2.1(a)
party; parties	8.3
Permits	3.5(a)
Permitted Encumbrance	8.13(a)
person	8.3
Policies	3.12(g)
Registrar	1.1
Reinsurance Agreements	3.12(e)
Representatives	5.2(b)
Requesting Party	5.16(a)
Required IPC Vote	3.10(b)
Required Shareholder Votes	3.10(b)
Required Validus Vote	3.10(a)
Requisite Regulatory Approvals	6.1(c)
SEC	8.13(a) (See Material Adverse Effect)
SEC Documents	3.4(a)
Securities Act	3.4(a)
Share Issuance	Recitals
Statutory Statements	3.12(b)
subsidiary	8.3
Superior Proposal	5.5(f)
Tax	8.13(a)
Tax Asset	8.13(a)
Tax Return	8.13(a)
Taxing Authority	8.13(a)
Termination Fee	7.2(b)
Trade Secrets	8.13(a) (See Intellectual Property)
Underwriting Model	3.17(c)
Validus	Introduction
Validus Benefit Plan	8.13(a)
Validus Common Share	2.1(a)
Validus Disclosure Letter	ARTICLE III
Validus Recommendation	3.9(b)
Validus Share Plans	3.2(a)
Validus Shareholders Meeting	5.1(b)
Voting Debt	3.2(d)

[Remainder of this page intentionally left blank]

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IN WITNESS WHEREOF, IPC, Amalgamation Sub and Validus have caused this Agreement to be signed by their respective officers thereunto duly authorized, all as of the date first set forth above.

IPC HOLDINGS, LTD.

By:

Name: James P. Bryce

Title: Chief Executive Officer

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VALIDUS HOLDINGS, LTD.

By: /s/ Edward J. Noonan
Name: Edward J. Noonan
Title: Chairman and Chief Executive
Officer

VALIDUS LTD

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Exhibit A

DATED [1], 2009
VALIDUS LTD. [AMAL 1]
IPC HOLDINGS, LTD. [AMAL 2]
AMALGAMATION AGREEMENT

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THIS AMALGAMATION AGREEMENT is made as of [1], 2009 BETWEEN:

(1) Validus Ltd., a company incorporated under the laws of Bermuda having its registered office at 19 Par-La-Ville Road, Hamilton, Bermuda (hereinafter called **AMAL 1**); and

(2) IPC Holdings, Ltd., a company also incorporated under the laws of Bermuda having its registered office at 29 Richmond Road, Pembroke, Bermuda (hereinafter called **AMAL 2**).

WHEREAS:

(A) **AMAL 1** was incorporated under the laws of Bermuda pursuant to the Companies Act 1981, as evidenced by a memorandum of association dated [1], 2009 and is a company in good standing with the laws of Bermuda;

(B) **AMAL 2** was incorporated under the laws of Bermuda pursuant to the Companies Act 1981, as evidenced by a memorandum of association dated May 17, 1993 and is a company in good standing under the laws of Bermuda;

(C) **AMAL 1** and **AMAL 2**, acting under the authority contained in Section 104 of the Companies Act 1981, have each, by a special general meeting of their Members held on [1], 200[1], agreed to amalgamate upon the terms and conditions hereinafter set out;

(D) **AMAL 1** and **AMAL 2** have each made full disclosure to the other of all their respective assets and liabilities;

(E) **AMAL 1** has an authorised and issued share capital of [1] consisting of [1] ordinary shares having a par value of [1], all of which are fully paid;

(F) **AMAL 2** has an authorised and issued share capital of [1] consisting of [1] ordinary shares having a par value of [1], all of which are fully paid;

(G) It is desired by the parties that the said amalgamation shall be effected.

NOW THEREFORE THE PARTIES HAVE AGREED AS FOLLOWS:

1. In this Agreement:

Amalgamating Companies means **AMAL 1** and **AMAL 2**, the parties hereto;

Amalgamated Company means the Company continuing from the amalgamation of the Amalgamating Companies;

Amalgamation Agreement or **Agreement** means this Amalgamation Agreement;

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the Act means the Companies Act 1981, as amended up to and including the date of this Agreement; and
the Effective Date means [1], 2009, which date is deemed to be the Effective Date of Amalgamation.

2. Each of the Amalgamating Companies does hereby agree to amalgamate, as of the close of business on the Effective Date, under the provisions of the Act and to continue as one company under the terms and conditions hereinafter set out.

3. The name of the Amalgamated Company shall be Validus Ltd. (that is, the present name of **AMAL 1**) and the registered office of the Amalgamated Company shall be 19 Par-La-Ville Road, Hamilton, HM 11, Bermuda.

4. The Amalgamated Company shall be governed by the Memorandum of Association of **AMAL 1**.

5. The Bye-Laws of the Amalgamated Company shall, to the extent that they are not inconsistent with this Agreement, be the Bye-Laws of **AMAL 1**, until repealed, amended or altered.

6. The Board of Directors of the Amalgamated Company (the Board of Directors) shall consist of not more than [1] directors, and the first directors of the Amalgamated Company shall be the persons whose names and addresses are set out in Schedule 1, attached hereto, who shall hold office until the first annual meeting of the Amalgamated Company or until their successors are elected or appointed.

7. The management and supervision of the business and affairs of the Amalgamated Company shall be under the control of the Board of Directors from time to time subject to the provisions of the Act and the Bye-Laws of the Amalgamated Company.

8. The Amalgamated Company shall have a minimum share capital of [1] and an authorised share capital of [1] divided into [1] shares having a par value of [1] each, having all the rights, conditions, restrictions and limitations set out in the Bye-Laws of the Amalgamated Company. Such shares shall be allotted or issued to the Shareholders of the Amalgamated Company on the basis set out in the attached Schedule 2.

9. After the issue of the Certificate of Amalgamation giving effect to the Amalgamation contemplated by this Agreement, the Shareholders of the Amalgamating Companies shall, at the request of the Amalgamated Company, surrender the certificates evidencing the shares held by them in the Amalgamating Companies and, in return, shall be entitled to receive certificates representing shares of the Amalgamated Company on the basis set out in the attached Schedule B.

10. **AMAL 1** shall contribute to the Amalgamated Company all its property and assets, subject to all its liabilities, as more particularly set out in the balance sheet of **AMAL 1** as of [1], 200[1], subject to changes occurring since that date in the ordinary course of business.

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11. **AMAL 2** shall contribute to the Amalgamated Company all its property and assets, subject to all its liabilities, as more particularly set out in the balance sheet of **AMAL 2** as of [1], 200[1], subject to changes occurring since that date in the ordinary course of business.

12. The Amalgamated Company shall possess all the property, assets, rights and privileges and shall be subject to all the contracts, liabilities, debts and obligations of the Amalgamating Companies.

13. All the rights of creditors against the property, assets, rights and privileges of the Amalgamating Companies and all liens upon their property, rights and assets shall be unimpaired by such amalgamation and all debts, contracts, liabilities and duties of the Amalgamating Companies shall henceforth attach to and may be enforced against the Amalgamated Company.

14. No action or proceeding by or against the Amalgamating Companies shall abate or be affected by such amalgamation but, for the purposes of such action or proceeding, the name of the Amalgamated Company shall be substituted in such action or proceeding in place of **AMAL 1** and **AMAL 2**.

15. **AMAL 1** and **AMAL 2** agree to execute and do all such acts deeds and things as shall or may be necessary to give effect to their respective undertakings pursuant to this Agreement.

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Schedule 1 - Board of Directors of Amalgamated Company

NAME

ADDRESS

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Schedule 2

1. Total Common Shares to be issued by Amalgamated Company

[[1] (insert number of shares in words) Common Shares of the par value \$[1] ([1] dollar) each.]

2. Share Issuance Methodology

[Each Shareholder of **AMAL 1** will receive one share of Common Stock of the Amalgamated Company for each share of Common Stock of **AMAL 1** which he holds. The Shareholders of **AMAL 2** will receive no shares in the Amalgamated Company and each of their shares in **AMAL 2** (irrespective of class) will be cancelled.]

3. Valuation of Shares in the Amalgamated Company

[Each share of the Amalgamated Company shall be entitled to a *pro rata* share of the assets of the Amalgamated Company net of the accumulated liabilities of the Amalgamated Company, as determined from time to time.]

IN WITNESS WHEREOF this Agreement has been duly executed by the parties hereto under their respective seals as witnessed by the signatures of their proper officers.

The Common Seal of AMAL 1)
is hereunto affixed in the presence)
of:)

The Common Seal of AMAL 2)
is hereunto affixed in the presence)
of:)

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Exhibit E

IPC Bye-Law Amendment

The following shall be inserted as bye-law 100 under the caption MEMBER VOTE TO APPROVE AN AMALGAMATION :

90. Amalgamation

A resolution proposed for consideration at a general meeting to approve the amalgamation of the Company with any other company shall require the affirmative vote of a majority of the votes cast by Members present or represented by proxy and voting at such general meeting and the quorum for such general meeting shall be as set out in Bye-Law 39.

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Exhibit F

Supplement to Section 4.1 of IPC Disclosure Letter

1. IPC shall be permitted to pay to Max Capital Group Ltd. the termination fee required to be paid by IPC to Max Capital Group Ltd. under the IM Agreement, using (i) cash on hand or (ii) the proceeds of (x) indebtedness incurred under its existing credit facility or (y) other unsecured indebtedness reasonably acceptable to Validus, or (iii) the proceeds from the sale of Investment Assets reasonably acceptable to Validus.
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Annex B

Greenhill & Co., LLC
300 Park Avenue
New York, NY 10022
(212) 389-1500
(212) 389-1700 Fax

CONFIDENTIAL
March 31, 2009
Board of Directors
Validus Holdings, Ltd.
19 Par-La-Ville Road
Hamilton, Bermuda HM 11

Members of the Board of Directors:

We understand that Validus Holdings, Ltd. (the Parent) and Validus Ltd. (the Amalgamation Subsidiary) propose to execute and deliver to IPC Holdings, Ltd. (the Company) an Agreement and Plan of Amalgamation (the Amalgamation Agreement), which would provide, among other things, for the amalgamation (the Amalgamation) of the Company with the Amalgamation Subsidiary, a wholly owned subsidiary of the Parent. In the Amalgamation, each issued and outstanding share of common stock, par value \$0.01 per share, of the Company (the Company Common Stock), other than shares of Company Common Stock that are owned by Parent or any of its subsidiaries and Dissenting Shares (as defined in the Amalgamation Agreement), shall be cancelled and converted into the right to receive a number of shares of common stock, par value \$0.175 per share, of the Parent (the Parent Common Shares) equal to the Exchange Ratio (as defined in the Amalgamation Agreement), together with any cash paid in lieu of fractional shares in accordance with the terms of the Amalgamation Agreement. The terms and conditions of the Amalgamation are more fully set forth in the Amalgamation Agreement.

The Company, IPC Limited, a wholly owned subsidiary of the Company, and Max Capital Group Ltd. entered into an Agreement and Plan of Amalgamation, dated as of March 1, 2009, and an amendment thereto dated as of March 5, 2009.

You have asked for our opinion as to whether, as of the date hereof, the Exchange Ratio pursuant to the Amalgamation Agreement is fair, from a financial point of view, to the Parent.

For purposes of the opinion set forth herein, we have:

1. reviewed the Amalgamation Agreement dated as of the date hereof as executed by Parent and the Amalgamation Subsidiary (but not the Company as of the date hereof), and certain related documents;

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2. reviewed certain publicly available financial statements of the Company and Parent;
3. reviewed certain other publicly available business and financial information relating to the Company and Parent that we deemed relevant;
4. reviewed certain information, including financial forecasts and other financial and operating data concerning the Parent prepared by the management of the Parent;
5. discussed the past and present operations and financial condition and the prospects of the Parent with senior executives of the Parent;
6. reviewed the historical market prices and trading activity for the Company Common Stock and Parent Common Shares and analyzed their implied valuation multiples;
7. compared the value of the consideration with that received in certain publicly available transactions that we deemed relevant;
8. compared the value of the consideration with the trading valuations of certain publicly traded companies that we deemed relevant;
9. compared the value of the consideration with the relative contribution of the Company to the pro forma combined company based on a number of metrics that we deemed relevant; and
10. performed such other analyses and considered such other factors as we deemed appropriate.

However, given the unsolicited nature of the proposed Amalgamation with the Company, our review and analysis of the Company and its business and financial information are necessarily limited to information that is publicly available as of the date hereof. We have not reviewed financial forecasts and other financial and operating data concerning the Company prepared by management of the Company or other nonpublic information regarding the Company, nor have we participated in discussions or negotiations among representatives of the Company and its legal or financial advisor and representatives of the Parent or its legal advisor.

In giving our opinion, we have assumed and relied upon, without independent verification, the accuracy and completeness of the information publicly available, supplied or otherwise made available to us by representatives and management of the Parent for the purposes of this opinion and have further relied upon the assurances of the representatives and management of the Parent that they are not aware of any facts or circumstances that would make such information inaccurate or misleading. With respect to the financial forecasts and projections and other data that have been furnished or otherwise provided to us, we have assumed that such financial forecasts and projections and other data were reasonably

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prepared on a basis reflecting the best currently available estimates and good faith judgments of the management of the Parent as to those matters, and we have relied upon such financial forecasts and projections and other data in arriving at our opinion. We express no opinion with respect to such financial forecasts and projections and other data or the assumptions upon which they are based. We have not made any independent valuation or appraisal of the assets or liabilities of the Company, nor have we been furnished with any such appraisals. We have assumed, with your consent, that the Amalgamation will be treated as a tax-free reorganization for federal income tax purposes. We have assumed that the Amalgamation will be consummated in accordance with the terms set forth in the final, fully executed Amalgamation Agreement, which we have further assumed will be identical in all material respects to the proposed Amalgamation Agreement we have reviewed, and without amendment or waiver of any material terms or conditions set forth in the Amalgamation Agreement. We have further assumed that all material governmental, regulatory and other consents, approvals and waivers necessary for the consummation of the Amalgamation will be obtained without any effect on the Company, the Parent, the Amalgamation or the contemplated benefits of the Amalgamation meaningful to our analysis. Our opinion is necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to us as of, the date hereof. It should be understood that subsequent developments may affect this opinion, and we do not have any obligation to update, revise, or reaffirm this opinion.

We have acted as financial advisor to the Board of Directors of the Parent (the Board) in connection with the Amalgamation and will receive a fee for services rendered in connection with the Amalgamation, a portion of which is contingent on the consummation of the Amalgamation. In addition, the Parent has agreed to indemnify us for certain liabilities arising out of our engagement. During the two years preceding the date of this opinion, we have not been engaged by, performed any services for or received any compensation from the Parent or any other parties to the Amalgamation (other than any amounts that were paid to us under the letter agreement pursuant to which we were retained as a financial advisor to the Parent in connection with the Amalgamation). As of the date of this opinion, four merchant banking funds affiliated with Greenhill & Co., LLC owned an aggregate of 2,571,427 Parent Common Shares, and certain employees of Greenhill & Co., LLC and its affiliates have interests in one or more of such funds. It is understood that this letter is for the information of the Board, and is rendered to the Board in connection with its consideration of the execution and delivery of the Amalgamation Agreement and may not be used for any other purpose without our prior written consent, except that this opinion may, if required by law, be included in its entirety in any proxy or other information statement or registration statement to be mailed to the stockholders of the Parent in connection with the Amalgamation. We are not expressing an opinion as to any aspect of the Amalgamation, other than the fairness to the Parent of the Exchange Ratio from a financial point of view. In particular, we express no opinion as to the prices at which the Parent Common Shares will trade at any future time. We express no opinion with respect to the amount or nature of any compensation to any officers, directors or employees of the Parent, or any class of such persons relative to the Exchange Ratio or

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with respect to the fairness of any such compensation. This opinion has been approved by our fairness committee. This opinion does not address the underlying business decision of the Parent to engage in the Amalgamation or the relative merits of the Amalgamation as compared to any other alternative business strategies that might exist for the Parent and as such is not intended to be and does not constitute a recommendation to the members of the Board as to whether they should approve the Amalgamation, or the Amalgamation Agreement or any related matters. In addition, this opinion is not intended to be and does not constitute a recommendation as to whether the stockholders of the Parent should approve the issuance of the Parent Common Shares in the Amalgamation or take any other action at any meeting of the shareholders of the Parent convened in connection with the Amalgamation.

Based on and subject to the foregoing, including the limitations and assumptions set forth herein, we are of the opinion that as of the date hereof the Exchange Ratio pursuant to the Amalgamation Agreement is fair, from a financial point of view, to the Parent.

Very best regards,

GREENHILL & CO., LLC

By: /s/ Robert F. Greenhill
Robert F. Greenhill
Managing Director

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IMPORTANT

If your shares are held in your own name, please sign, date and return the enclosed proxy card today. If your shares are held in Street-Name, only your broker or bank can vote your shares and only upon receipt of your specific instructions. Please return the enclosed proxy card to your broker or bank and contact the person responsible for your account to ensure that a proxy card is voted on your behalf.

If you have any questions or need assistance, please contact:

Georgeson Inc.

199 Water Street, 26th Floor

New York, New York 10038

Banks and Brokerage Firms Please Call: (212) 440-9800

All Others Please Call Toll Free: (888) 274-5146

Email inquiries: validus@georgeson.com

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YOUR VOTE IS IMPORTANT Please complete, date, sign and mail your proxy card in the envelope provided as soon as possible. TO VOTE BY MAIL, PLEASE DETACH PORXY CARD HERE PROXY VALIDUS HOLDINGS, LTD. THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS The undersigned holder of voting common shares, \$0.175 par value per share (the Validus Shares), of Validus Holdings, Ltd. hereby appoints Edward J. Noonan or, failing him, C. Jerome Dill to be its proxy and to vote for the undersigned on all matters arising at the Validus Special Meeting of Shareholders of Validus Shares or any adjournment thereof, and to represent the undersigned at such meeting or any adjournment thereof to be held at , Atlantic Time, on , 2009 at the registered office of Validus Holdings, Ltd. at 19 Par-La-Ville Road located in Hamilton, Bermuda. THE SHARES REPRESENTED HEREBY WILL BE VOTED WITH THE INSTRUCTIONS CONTAINED HEREIN. IF A SIGNED PROXY CARD IS RETURNED AND NO INSTRUCTION IS GIVEN, THE SHARES WILL BE VOTED FOR THE PROPOSALS ON THE REVERSE HEREOF, ALL SAID ITEMS BEING FULLY DESCRIBED IN THE NOTICE OF SUCH MEETING, DATED , 2009, AND THE ACCOMPANYING PROXY STATEMENT, RECEIPT OF WHICH ARE ACKNOWLEDGED. THE UNDERSIGNED RATIFIES AND CONFIRMS ALL THAT SAID PROXIES OR THEIR SUBSTITUTES MAY LAWFULLY DO BY VIRTUE HEREOF. (Continued and to be marked, dated and signed, on the other side) CG&R DRAFT: 4/15/09 12:02 PM #985638 v1 (2H601.DOC)

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THERE ARE THREE WAYS TO AUTHORIZE THE PROXIES TO CAST YOUR VOTES Your telephone or Internet vote authorizes the named proxies to vote your shares in the same manner as if you had returned your proxy card. We encourage you to use these cost effective and convenient ways of voting, 24 hours a day, 7 days a week. TELEPHONE VOTING INTERNET VOTING VOTING BY MAIL On a touch tone telephone, call TOLL Visit the Internet website at Simply complete, sign and date your proxy FREE (866) 367-5524, 24 hours a day, 7 http://proxy.georgeson.com. Enter the card and return it in the postage-paid days a week. You will asked to enter COMPANY NUMBER and CONTROL envelope. If you are using telephone or ONLY the CONTROL NUMBER shown NUMBER shown below and follow the the Internet, please do not mail your proxy below. Have your instruction card ready, instructions on your screen. You will incur card. and then follow the prerecorded instruonly your usual Internet charges. This tions. Your instructions will be confirmed method is available until 11:59 p.m., East- and votes cast as you direct. This method ern Daylight Time on , 2009. is available until 11:59 p.m., Eastern Daylight Time on , 2009. COMPANY NUMBER CONTROL NUMBER THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE PROPOSALS BELOW. Vote on Proposal For Against Abstain (1) To approve the issuance of voting common shares, \$0.175 par value per share, of Validus Holdings, Ltd., in connection with the acquisition of all of the outstanding shares of IPC Holdings, Ltd. Pursuant to the amalgamation agreement (as defined in the enclosed proxy statement) or otherwise. (THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR) (2) To adjourn or postpone the Validus Special Meeting of Shareholders of Validus Shares, in the proxies discretion, to solicit additional proxies. (THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR) In their discretion, the proxies are authorized to vote and otherwise represent the undersigned on such other matters as may properly come before the Validus Special Meeting of Shareholders of Validus Shares or any adjournment or postponement thereof. Please sign exactly as your name(s) appear(s) hereon. If you are acting as an attorney-in-fact, corporate officer, or in a fiduciary capacity, please indicate the capacity in which you are signing. Signature [PLEASE SIGN WITHIN BOX] Date Signature (Joint Owners) Date CG&R DRAFT: 4/15/09 12:02 PM #985638 v1 (2H601.DOC)