

Global Indemnity Ltd
Form S-3/A
August 14, 2018
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As filed with the Securities and Exchange Commission on August 14, 2018

Registration No. 333-225758

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

AMENDMENT NO. 2
TO
FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

GLOBAL INDEMNITY LIMITED
(Exact name of Registrant as specified in its charter)

Cayman Islands
(State or other jurisdiction of
incorporation or organization)

98-1304287
(I.R.S. Employer
Identification No.)

GLOBAL INDEMNITY GROUP, INC.

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

20-0184863
(I.R.S. Employer
Identification No.)

27 Hospital Road

George Town, Grand Cayman

KY1-9008

Cayman Islands

+(345) 949-0100

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Thomas M. McGeehan

Chief Financial Officer

c/o Global Indemnity Group, Inc.

Three Bala Plaza East, Suite 300

Bala Cynwyd, PA 19004 USA

(610) 664-1500

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copy to:

Katharine A. Martin, Esq.

Megan J. Baier, Esq.

Wilson Sonsini Goodrich & Rosati, P.C.

650 Page Mill Road

Palo Alto, CA 94304

(650) 493-9300

Approximate date of commencement of proposed sale to the public: From time to time after this Registration Statement becomes effective.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of large accelerated filer, accelerated filer, smaller reporting company and emerging growth company in Rule 12b-2 of the Exchange Act. (Check one):

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Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

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Title of each class of securities to be registered(1)	Amount to be registered(1)(2)	Proposed maximum offering price per unit(2)(3)	Proposed Maximum Aggregate Offering Price(1)(2)(4)	Amount of Registration Fee(5)(6)
Global Indemnity Limited:	\$230,000,000		\$230,000,000	\$28,635
A ordinary shares, \$0.0001 par value				
B ordinary shares, \$0.0001 par value				
Preferred shares, \$0.0001 par value				
Depositary shares				
Debt securities(7)				
Warrants to purchase ordinary shares or preferred shares				
Warrants to purchase debt securities(7)				
Stock purchase contracts				
Stock purchase units				
Global Indemnity Group, Inc.:				
Debt securities(7)				
Total	\$230,000,000	100%	\$230,000,000	\$28,635

- (1) Any securities registered under this registration statement may be sold separately, together or as units with other offered securities.
- (2) Not specified as to each class of securities to be registered. The maximum aggregate offering price of the securities of Global Indemnity Limited and Global Indemnity Group, Inc. registered hereby will not exceed \$230,000,000. Such amount represents the principal amount of any debt securities issued at their principal amount, the issue price (rather than the principal amount) of any debt securities issued at an original issue discount, the liquidation preference (or, if different, the issue price) of any preferred shares, the issue price of any ordinary shares or warrants and the exercise price of any warrants or convertible securities, as applicable.
- (3) The proposed maximum offering price per unit will be determined from time to time by the registrant in connection with the issuance of securities.
- (4) The proposed maximum aggregate offering price has been estimated for the sole purpose of computing the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended (the Securities Act), and excludes accrued interest, distributions and dividends, if any.
- (5) Calculated pursuant to Rule 457(o) under the Securities Act and General Instruction II.D of Form S-3, which permits the registration fee to be calculated on the basis of the proposed maximum aggregate offering price of all the securities listed.
- (6) Pursuant to Rule 415(a)(6) under the Securities Act, the securities registered pursuant to this registration statement include \$270,000,000 of unsold securities, consisting of A ordinary shares, B ordinary shares, preferred shares, depositary shares, debt securities, warrants to purchase A ordinary shares, warrants to purchase preferred

shares, warrants to purchase debt securities, stock purchase contracts and stock purchase units, previously registered by the registrant on Form S-3 initially filed July 2, 2015 (Reg. No. 333-205451) by Global Indemnity Limited (the Prior Registration Statement). Pursuant to Rule 415(a)(6) under the Securities Act, the filing fee of \$31,374 previously paid relating to such unsold securities under the Prior Registration Statement will continue to be applied to such unsold securities included on this registration statement. Accordingly, the amount of the registration fee for the registration of securities under this registration statement has been calculated based on the proposed maximum offering price of the additional \$230,000,000 of securities registered on this registration statement, consisting of A ordinary shares, B ordinary shares, preferred shares, depositary shares, debt securities, warrants to purchase A ordinary shares, warrants to purchase preferred shares, warrants to purchase debt securities, stock purchase contracts and stock purchase units of Global Indemnity Limited and debt securities of Global Indemnity Group, Inc. To the extent that, after the filing date hereof and prior to the effectiveness of this registration statement, the registrant sells any securities pursuant to the Prior Registration Statement, the registrant will identify in a pre-effective amendment to this registration statement the updated amount of securities from the Prior Registration Statement to be included in this registration statement pursuant to Rule 415(a)(6) and the updated amount of new securities to be registered on this registration statement. Pursuant to Rule 415(a)(6), the offering of the unsold securities registered under the Prior Registration Statement will be deemed terminated as of the date of effectiveness of this registration statement.

- (7) Debt securities issued by Global Indemnity Limited will be co-issued by Global Indemnity Group, Inc. and no separate consideration will be received for debt securities issued by Global Indemnity Group, Inc.

The registrants hereby amend this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not sell the securities until the Registration Statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state or jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED AUGUST 14, 2018

PROSPECTUS

\$500,000,000

GLOBAL INDEMNITY LIMITED

A Ordinary Shares, B Ordinary Shares, Preferred Shares, Depositary Shares, Debt Securities,

Warrants to Purchase A Ordinary Shares,

Warrants to Purchase Preferred Shares,

Warrants to Purchase Debt Securities, Stock Purchase Contracts and

Stock Purchase Units

GLOBAL INDEMNITY GROUP, INC.

Debt Securities

Global Indemnity Limited (Global Indemnity) and/or Global Indemnity Group, Inc., a wholly owned subsidiary of Global Indemnity (GIGI), may offer and sell from time to time the securities described in this prospectus. We may offer these securities separately or together in any combination and as separate series. This prospectus provides you with a general description of the securities we may offer. We will provide the specific terms of these securities in supplements to this prospectus. The prospectus supplements may also add, update or change information contained in this prospectus. You should read this prospectus and any supplements carefully before you invest.

Our A ordinary shares are traded on the NASDAQ Global Select Market under the symbol GBLI.

Investing in our securities involves risks. See Risk Factors beginning on page 4 of this prospectus and the documents incorporated herein by reference.

This prospectus may not be used to consummate sales of offered securities unless accompanied by a prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is _____, 2018.

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We have not authorized any dealer, salesman or other person to give any information or to make any representation other than those contained or incorporated by reference in this prospectus and any accompanying supplement to this prospectus. We take no responsibility for, and can provide no assurance as to the reliability of, any information that others may give you. This prospectus and any accompanying supplement to this prospectus do not constitute an offer to sell or the solicitation of an offer to buy any securities other than the registered securities to which they relate, nor do this prospectus and any accompanying supplement to this prospectus constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information contained or incorporated by reference in this prospectus and any supplement to this prospectus is accurate as of the dates of the applicable documents. Our business, financial condition, results of operations and prospects may have changed since the applicable dates. When we deliver this prospectus or a supplement or make a sale pursuant to this prospectus or a supplement, we are not implying that the information is current as of the date of the delivery or sale.

This prospectus contains summaries of certain provisions contained in some of the documents described herein, but reference is made to the actual documents for complete information. All of the summaries are qualified in their entirety by the actual documents. Copies of some of the documents referred to herein have been filed, or will be filed or incorporated by reference as exhibits to the registration statement of which this prospectus is a part, and you may obtain copies of those documents as described under the heading **Where You Can Find More Information.**

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As used in this prospectus, unless the context requires otherwise, (1) Global Indemnity, we, us, the Company and refer to Global Indemnity Limited, an exempted company incorporated under the laws of Cayman Islands, together with its consolidated subsidiaries, including Global Indemnity Group, Inc., (2) references to GIGI refer to Global Indemnity Group, Inc., (3) references to dollars and \$ are to United States currency, and (4) the terms United States and U.S. mean the United States of America, its states, its territories, its possessions and all areas subject to its jurisdiction.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that Global Indemnity and GIGI filed with the Securities and Exchange Commission, or SEC, utilizing a shelf registration process, relating to up to a total initial offering price of \$500,000,000 of (i) the A ordinary shares, B ordinary shares, preferred shares, depositary shares, debt securities, warrants, stock purchase contracts and stock purchase units described in this prospectus of Global Indemnity and (ii) the debt securities of GIGI. This prospectus provides you with a general description of the securities that Global Indemnity and/or GIGI may offer.

This prospectus does not contain all of the information set forth in the registration statement as permitted by the rules and regulations of the SEC. For additional information regarding us and the offered securities, please refer to the registration statement. Each time we sell securities, a prospectus supplement containing specific information about the terms of that offering will be provided. The prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement together with additional information described under the heading **Where You Can Find More Information**.

The registration statement that contains this prospectus, and the exhibits to the registration statement, contain additional information about us and the securities that may be offered under this prospectus. Statements contained in this prospectus as to the contents of any contract or other document are not necessarily complete, and in each instance reference is made to the copy of that contract or other document filed as an exhibit to the registration statement, each such statement being qualified in all respects by that reference and the exhibits and schedules thereto.

We may include agreements as exhibits to the registration statement of which this prospectus forms a part. In reviewing such agreements, please remember they are included to provide you with information regarding their terms and are not intended to provide any other factual or disclosure information about us or the other parties to the agreements. The agreements may contain representations and warranties by each of the parties to the applicable agreement. These representations and warranties have been made solely for the benefit of the other parties to the applicable agreement and:

should not be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate;

may have been qualified by disclosures that were made to the other party in connection with the negotiation of the applicable agreement, which disclosures would not necessarily be reflected in the agreement;

may apply standards of materiality in a way that is different from what may be viewed as material to you or other investors in our securities; and

were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement, are subject to more recent developments and therefore may no longer be accurate.

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FORWARD-LOOKING STATEMENTS

This prospectus includes forward-looking statements, within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, with respect to our financial condition, results of operations and business and our expectations or beliefs concerning future events. We have based our forward-looking statements on our beliefs and assumptions based on information available to us at the time the statements are made. Forward-looking statements are statements that are not historical facts. These statements can be identified by the use of forward-looking terminology such as believe, expect, may, will, should, project, plan, seek, intend, or anticipate or the negative thereof or comparative and include discussions of strategy, financial projections and estimates and their underlying assumptions, statements regarding plans, objectives, expectations or consequences of identified transactions or natural disasters, and statements about the future performance, operations, products and services of the companies.

We have based the forward-looking statements included or incorporated by reference in this prospectus primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, results of operations, prospects, business strategy and financial needs. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties, assumptions and other factors described in the section captioned Risk Factors and elsewhere in this prospectus or documents incorporated by reference herein. These risks are not exhaustive. Other sections of this prospectus or documents incorporated by reference herein include additional factors that could adversely impact our business and financial performance. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this prospectus and documents incorporated by reference herein. We cannot assure you that the results, events and circumstances reflected in the forward-looking statements will be achieved or occur, and actual results, events or circumstances could differ materially from those described in the forward-looking statements.

In addition, statements that we believe and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this prospectus, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

Forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties that could cause actual results to differ materially from those in such statements. Factors that could cause actual results to differ from those discussed in the forward-looking statements include, but are not limited to, those set forth herein or in our annual, quarterly and other reports we file with the SEC. Based upon changing conditions, should any one or more of these risks or uncertainties materialize, or should any underlying assumptions prove incorrect, actual results may vary materially from those described in any forward-looking statements. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the applicable cautionary statements. We do not intend to update these forward-looking statements, except as required by applicable law. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this prospectus might not occur. The foregoing review of important factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are set forth in the section captioned Risk Factors and elsewhere in this prospectus or documents incorporated by reference herein, as updated by our subsequent filings under Exchange Act.

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The Company's forward-looking statements speak only as of the date of this report or as of the date they were made. The Company undertakes no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by applicable law.

GLOBAL INDEMNITY LIMITED

Global Indemnity, through its subsidiaries, is one of the leading specialty property and casualty insurers in the industry, provides its insurance products across a distribution network that includes binding authority, program, brokerage, and reinsurance. Global Indemnity is a holding company formed on February 9, 2016 under the laws of the Cayman Islands. On November 7, 2016, Global Indemnity replaced Global Indemnity plc (GI-Ireland) as the ultimate parent company pursuant to a scheme of arrangement whereby each of GI-Ireland's A ordinary shares were cancelled and replaced with one A ordinary share of Global Indemnity on a one for one basis and each B ordinary share of GI-Ireland was cancelled and replaced with one B ordinary share of Global Indemnity on a one for one basis. Our Ordinary Shares are publicly traded on the NASDAQ Global Select Market under the trading symbol GBLI.

Subsequent to the completion of the redomestication, certain of our subsidiaries, including GI-Ireland, were placed into liquidation, liquidated, or merged out of existence. In addition, substantially all of the assets of these companies, including intellectual property, were transferred to Global Indemnity.

GIGI was incorporated in the State of Delaware in 2003 and is an indirect wholly owned subsidiary of Global Indemnity.

We manage our business through three business segments: Commercial Lines, managed in Bala Cynwyd, Pennsylvania, offers specialty property and casualty products designed for product lines such as Small Business Binding Authority, Property Brokerage, and Programs; Personal Lines, managed in Scottsdale, Arizona, offers specialty personal lines and agricultural coverage; and Reinsurance Operations, managed in Bermuda, provides reinsurance solutions through brokers and primary writers including insurance and reinsurance companies. The Commercial Lines and Personal Lines segments comprise our U.S. Insurance Operations.

We are incorporated in Cayman Islands as an exempted company and our principal executive offices are located at 27 Hospital Road, George Town, Grand Cayman, KY1-9008, Cayman Islands, Attn: Walkers Corporate Limited. Our telephone number is +1345 814 7600 and our website address is www.globalindemnity.ky. The information contained on our website is not incorporated by reference into this prospectus.

You can obtain additional information about us in the reports and other documents incorporated by reference in this prospectus. See Incorporation of Certain Information by Reference.

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Investment in any securities offered pursuant to this prospectus involves risks. You should carefully consider the risk factors incorporated by reference herein, including the matters discussed under **Risk Factors** in Item 1A of Part I in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2017, filed with the Securities and Exchange Commission (the **SEC**) on March 9, 2018 and the other information contained in this prospectus, as updated by our subsequent filings under the Exchange Act, before acquiring any of such securities. The occurrence of any of these risks might cause you to lose all or part of your investment in the offered securities. In addition, you should carefully consider information in any accompanying prospectus supplement or any documents we incorporate by reference in this prospectus and any accompanying prospectus supplement, before deciding to invest. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations.

USE OF PROCEEDS

Unless otherwise disclosed in the applicable prospectus supplement, we intend to use the net proceeds from the sale of the offered securities for general corporate purposes, which may include, but are not limited to, the financing for acquisitions, repurchases of ordinary shares, repayment of indebtedness, and expansion of the net underwriting capacity of our insurance subsidiaries. When a particular series of securities is offered, the prospectus supplement relating thereto will set forth our intended use of the net proceeds we receive from the sale of the securities. Pending the application of the net proceeds, we may invest the proceeds in short-term, interest-bearing instruments or other investment-grade securities.

RATIO OF EARNINGS TO FIXED CHARGES AND PREFERRED SHARE DIVIDENDS

For purposes of computing the following ratios, earnings consist of net income (loss) before income tax expense, excluding interest costs capitalized, plus fixed charges to the extent that these charges are included in the determination of earnings. Fixed charges consist of interest costs, including interest costs capitalized, plus one-third of minimum rental payments under operating leases, which are estimated by management to be the interest factor of these rentals. The ratio of earnings to fixed charges and preferred share dividends is the same as the ratio of earnings to fixed charges for each of the periods presented below as there were no preferred shares outstanding for such periods.

	Fiscal Year Ended December 31,					Three Months Ended March 31	
	2017	2016	2015	2014	2013	2018	2017
Ratio of Earnings to Fixed Charges	0.4x	5.7x	6.4x	43.4x	10.0x	1.9x	4.4x
Ratio of Earnings to Fixed Charges and Preferred Share Dividends	0.4x	5.7x	6.4x	43.4x	10.0x	1.9x	4.4x

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DESCRIPTION OF SHARE CAPITAL

The following description of our share capital is a summary. This summary is subject to the Cayman Island Companies Law and to the complete text of our amended and restated memorandum and articles of association, which is incorporated herein by reference. See [Where You Can Find More Information](#). We encourage you to read those laws and documents carefully.

Capital Structure

Authorized Share Capital

Our authorized share capital is US\$100,000 consisting of 600,000,000 A ordinary shares and 300,000,000 B ordinary shares of US\$0.0001 each, and 100,000,000 preferred shares of US\$0.0001 each.

Issued Share Capital

As of June 20, 2018, our issued share capital consisted of 10,150,130 A ordinary shares, which includes 74,784 treasury shares, with par value of \$0.0001 per share and 4,133,366 B ordinary shares, with a par value of \$0.0001, and no outstanding preferred shares.

The rights and restrictions to which the ordinary shares are subject are prescribed in our amended and restated memorandum and articles of association. Our amended and restated memorandum and articles of association entitles our board of directors (the Board), without shareholder approval, to determine the terms of the preferred shares issued by us. Our Board is authorized, without obtaining any vote or consent of the holders of any class or series of shares unless expressly provided by the terms of that class or series of shares, to provide from time to time for the issuance of other series of preferred shares and to establish the characteristics of each series, including the number of shares, designations, relative voting rights, dividend rights, liquidation and other rights, redemption, repurchase or exchange rights and any other preferences and relative, participating, optional or other rights and limitations not inconsistent with applicable law.

Pre-emption Rights, Share Warrants and Share Options

Under Cayman law, no statutory pre-emption rights apply.

Subject to the qualification that the directors may not issue or allot shares in excess of the authorized share capital, Cayman law does not restrict the ability of our Board to issue warrants or options in circumstances where they consider in good faith that the interests of the company are served thereby.

Our amended and restated memorandum and articles of association provides that the Board is authorized to grant, upon such term as the Board deems advisable, options to purchase (or commitments to issue at a future date) our shares of any class or series, and to cause warrants or other appropriate instruments evidencing such options or commitments to be issued. No statutory pre-emption rights will apply to the issuance of warrants and options issued by us.

We are subject to the rules of NASDAQ requiring shareholder approval of certain share issuances. The Cayman Islands Takeover Code does not apply to us because we are not admitted to listing in the Cayman Islands.

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Dividends

Under Cayman law, dividends and distributions may only be made from distributable reserves. Distributable reserves, broadly, means our accumulated realized profits less our accumulated realized losses on a standalone basis, together with amounts standing to the credit of the company's share premium account. The share premium account is an account maintained in our books and records that records the excess of the consideration paid (or deemed to have been paid) upon the initial issuance of any share over the par value of that share. Distributions may not be made from the share premium account unless, immediately thereafter, the company is able to meet its obligations in the ordinary course as they fall due.

The determination as to whether or not we have sufficient distributable reserves (including in respect of share premium) to fund a dividend is a determination to be made by the Board by reference to the legal, financial and accounting information available to it. As a matter of Cayman law, we are required to maintain accounts that give a true and fair view of the state of our affairs and to explain its transactions. Cayman law does not require us to file annual accounts in the Cayman Islands.

Our amended and restated memorandum and articles of association provides that dividends may be declared by the company in general meeting, but no dividends shall exceed the amount recommended by the Board. However, the amended and restated memorandum and articles of association authorizes the Board to declare such interim dividends as appear justified from our profits without the approval of the shareholders. The dividends can be declared and paid in the form of cash or non-cash assets, subject to applicable law. The Board may deduct from any dividend or other moneys payable to any shareholder all sums of money, if any, due from the shareholder to us in respect of shares of the company.

Subject to certain limited exceptions, no dividends may be paid on our ordinary shares unless all necessary provisions, where relevant, have been made for payment of any preference dividend in respect of any preference shares then in issue.

The Board is also authorized to issue shares in the future with preferred rights to participate in dividends declared by us. The holders of such preference shares may, depending on their terms, rank senior to the holders of our ordinary shares with respect to dividends.

On December 27, 2017, the Company announced the adoption of a dividend program with an anticipated initial dividend rate of \$0.25 per share per quarter (\$1.00 per share per year). Payment of dividends is subject to future determinations by the Board of Directors based on the Company's results, financial conditions, amounts required to grow the Company's business, and other factors deemed relevant by the Board.

Share Repurchases, Redemptions and Conversions

Repurchases and Redemptions

Under Cayman law, a company can issue redeemable shares and redeem or repurchase them out of distributable reserves (which are described above under "Dividends"), including share premium, or the proceeds of a new issue of shares made for that purpose. Shareholder approval will not be required to redeem our redeemable ordinary shares.

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Our amended and restated memorandum and articles of association allows for the conversion of any B ordinary share to an A ordinary share if (i) the holder of a B ordinary share (the Holder) wishes to effect such a conversion, or (ii) a person (the Transferee) agrees a transfer of the shares (the Affected Shares) with the Holder, whether or not for value. Conversion may be effected by means of redemption and issue of a new share. In that instance Affected Shares are converted to redeemable shares and redeemed by us for their aggregate nominal value immediately before any anticipated conversion or transfer. The Affected Shares are either cancelled or held as treasury shares. We then pay the redemption amount for the Affected Shares to a nominated third party. That third party holds the redemption sum on trust and applies it to pay for an issue of A ordinary share equal in number to the Affected Shares. There is one exception to conversions on transfer. Where the proposed transfer is to an existing holder of B ordinary share or an affiliate of an existing holder of B ordinary share, the B ordinary share concerned is redeemed and a new B ordinary share (rather than an A ordinary share) is issued to the Transferee.

We may also be given authority to purchase our own shares, including on a recognized stock exchange such as NASDAQ or off-market purchases, in such manner as our shareholders may approve by ordinary resolution. Our shareholders have not to date approved any manner of repurchase.

The Board has the authority to issue other preference or other classes or series of shares that may be redeemed at the option of either us or the holder, depending on the terms of such shares. Please see [Capital Structure Authorized Share Capital](#) above for additional information on preference shares.

Our repurchased and redeemed shares may be cancelled or held as treasury shares. Subject to the requirement that there be one share issued and outstanding that is not a treasury share, there is no restriction on the number of treasury shares that we may hold. While we hold shares as treasury shares, we cannot exercise any voting rights in respect of those shares and no dividend or other payment can be paid to us in respect of those shares. Treasury shares may be cancelled by us or re-issued subject to certain conditions.

Under Cayman law, it is permissible for a subsidiary to purchase our shares either on-market or off-market without restriction. Any such shares will not be regarded as treasury shares.

Bonus Shares

Under our amended and restated memorandum and articles of association, subject to the Board's authority to issue and allot shares, the Board may resolve to capitalize any amount standing to the credit of reserves (including a share premium account, capital redemption reserve and profit and loss account), whether or not available for distribution or credited to the profit and loss account, and use such amount for the issuance to shareholders of shares as fully paid bonus shares on the same basis of entitlement as would apply in respect of a dividend distribution.

Consolidation and Division; Subdivision

Pursuant to the provisions of our amended and restated memorandum and articles of association, we may by ordinary resolution: (a) consolidate and divide all or any of our share capital into shares of a larger amount than our existing shares; (b) convert all or any of our paid up shares into stock and reconvert that stock into paid up shares of any denomination; (c) subdivide our existing shares, or any of them into shares of a smaller amount provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in case of the share from which the reduced share is derived; and (d) cancel any shares that, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

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Reduction of Share Capital

Pursuant to the provisions of our amended and restated memorandum and articles of association, we may by special resolution reduce our share capital and any capital redemption reserve in any manner authorized by the Cayman Islands Companies Law (including by application to court for a reduction of share capital); provided that we shall not increase, reduce or alter our share capital, if such action, in the Board's sole and absolute discretion, would cause a *non-de minimis* adverse tax, legal or regulatory consequence to us, any of our subsidiaries, any direct or indirect shareholder or our affiliates.

Voting

At a general meeting, our amended and restated memorandum and articles of association provides that votes will be taken on a poll and every shareholder shall have one vote for each A ordinary share and ten votes for each B ordinary share that he or she holds as of the record date for the meeting. Holders of our ordinary shares vote on all matters submitted to a vote of shareholders, except that if, and for so long as, the votes conferred by our Controlled Shares of any 9.5% U.S. Shareholder (as defined in our amended and restated memorandum and articles of association) constitute 9.5% or more of the votes conferred by the issued shares of the company, the voting rights with respect to our Controlled Shares of such person will be limited, in the aggregate, to a voting power equal to approximately (but slightly less than) 9.5%, pursuant to a formula set forth in our amended and restated memorandum and articles of association. The holder(s) of deferred shares are not entitled to a vote.

All votes at a general meeting will be decided by way of a poll. Voting rights on a poll may be exercised by shareholders registered in our share register as of the record date for the meeting or by a duly appointed proxy of such a registered shareholder, which proxy need not be a shareholder. All proxies must be appointed in accordance with our amended and restated memorandum and articles of association. Our amended and restated memorandum and articles of association provide that the Board may permit the appointment of proxies by the shareholders to be notified to us electronically.

In accordance with our amended and restated memorandum and articles of association, the Board may from time to time cause us to issue preference or other classes or series of shares. These shares may have such voting rights, if any, as may be specified in the terms of such shares (e.g., they may carry more votes per share than ordinary shares or may entitle their holders to a class vote on such matters as may be specified in the terms of the shares).

Treasury shares do not entitle their holders to vote at general meetings of shareholders. Shares in us held by our subsidiaries are not precluded by Cayman law from voting at our general meetings.

Except where a greater majority is required by Cayman law or our amended and restated memorandum and articles of association, any question proposed for consideration at any of our quorate general meetings or of any class of shareholders will be decided by an ordinary resolution passed by a simple majority of the votes cast by shareholders entitled to vote at such meeting. Cayman law requires special resolutions of the shareholders to approve certain matters.

Variation of Rights Attaching to a Class of Shares

Variation of any special rights attached to any class or series of our issued shares (including our ordinary shares) must, in accordance with our amended and restated memorandum and articles of association, be approved by (1) the consent of the holders of not less than 75% the shares of the class or series affected,

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passed by the affirmative vote of the holders of the shares of that class or series voted at a meeting of that class or series or (2) the written consent of 75% the shareholders of that class or series. In the case of a meeting to vary the rights of any class or series of shares, our amended and restated memorandum and articles of association provides that the necessary quorum is the presence, in person or by proxy, of at least one shareholder representing 1/3 in nominal value (or, at an adjourned meeting, at least one shareholder representing any amount of nominal value) of the relevant class.

Every shareholder of the affected class or series will have one vote for each share of such class or series that he or she holds as of the record date for the meeting except that if, and for so long as, the votes conferred by our Controlled Shares of any person constitute 9.5% or more of the votes conferred by the issued shares of the relevant class or series, the voting rights with respect to our Controlled Shares of such person will be limited, in the aggregate, to a voting power equal to approximately (but slightly less than) 9.5%, pursuant to a formula set forth in our amended and restated memorandum and articles of association.

Inspection of Books and Records

Cayman law does not confer upon shareholders specific rights to inspect our books and records. Pursuant to the provisions of the Cayman Islands Companies Law, a shareholder may apply to the Grand Court of the Cayman Islands to appoint one or more competent inspectors to examine the affairs of the company and to report therein in such manner as the court may direct.

Acquisitions

There are a number of mechanisms for acquiring a Cayman Islands exempted company, including:

Scheme of Arrangement

A court-approved scheme of arrangement under the Cayman Islands Companies Law is an arrangement with one or more classes of shareholders that requires a court order from the Grand Court of the Cayman Island and the approval of: (1) more than 50% in number of the shareholders of each participating class or series voting on the scheme of arrangement, (2) representing 75% or more by value of the shares of such participating class or series held by the shareholders voting on the scheme of arrangement, in each case at the relevant meeting or meetings. A scheme of arrangement, if authorized by the shareholders of each participating class or series and the court, is binding on all of the shareholders of each participating class or series. Shares held by the acquiring party are effectively excluded from the tally of a vote on the scheme because such shares will be considered to belong to a separate class for the purposes of approving the scheme.

Tender Offer

Where the holders of 90% or more in value of a class of our shares (excluding any shares already beneficially owned by the offeror) have within four months of the making of an offer accepted an offer for their shares in us, the remaining shareholders in that class may be statutorily required to also transfer their shares by notice given at any time within two months of the expiry of the four month period, unless, within one month, the non-tendering shareholders can obtain a Cayman court order otherwise providing. If the offeror has acquired acceptances of 90% of all our shares but does not exercise its squeeze out right, then the non-accepting shareholders have no statutory right to require the offeror to acquire their shares on the same terms as the original offer.

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Merger

Pursuant to the provisions of the Cayman Islands Companies Law, we may merge with another company (wherever incorporated, provided that such merger is not prohibited by the laws of the jurisdiction of incorporation of that company). A merger under Cayman law requires the consent of two-thirds of the votes cast at a quorate meeting of our voting shareholders.

Asset Sale

Under Cayman law, the Board's approval, but not shareholder approval, is required for a sale, lease or exchange of all or substantially all of our assets.

Appraisal Rights

Generally, under Cayman law, shareholders of a Cayman Islands exempted company do not have statutory appraisal rights; provided that, in the event of a statutory merger under the Cayman Islands Companies Law, a shareholder shall be entitled to receive the fair value of his shares upon dissenting from such merger. This right is generally only available in circumstances where the consideration under the terms of the merger is payable in cash.

A dissenting shareholder in a successful tender offer for a Cayman Islands exempted company may, by application to the Grand Court of the Cayman Islands, object to that company using the compulsory squeeze out provisions of the Cayman Islands Companies Law.

Disclosure of Interests in Shares

In addition, persons or groups (within the meaning of the Exchange Act) beneficially owning 5% or more of our ordinary shares must comply with the reporting requirements under Regulation 13D-G of the Exchange Act.

Anti-Takeover Provisions

Shareholder Rights Plans and Share Issuances; Transfer Restriction

Cayman law does not expressly prohibit companies from issuing share purchase rights or adopting a shareholder rights plan as an anti-takeover measure. Whilst there is no directly relevant case law on the validity of such plans under Cayman law, the decisions in comparable circumstances of the courts of England and Wales in particular are of persuasive authority in the Cayman Islands.

The Board has the power to issue any of our authorized and unissued shares on such terms and conditions as it may determine to be in our best interest. It is possible that the terms and conditions of any issue of shares could discourage a takeover or other transaction that holders of some or a majority of our ordinary shares might believe to be in their best interest or in which holders of our ordinary shares might receive a premium for their shares over the then-market price of the shares.

Our amended and restated memorandum and articles of association provides that the Board may decline to register a transfer of shares if it appears to the Board that the effect of such transfer would be to increase the number of our Controlled Shares (as defined in our amended and restated memorandum and articles of association) of any person to 9.5% or more of any class of voting shares of the total issued shares or of the voting power of the company.

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Cayman Takeover Code and Substantial Acquisition Rules

Because the Company is not listed on the Cayman Islands Stock Exchange, the Cayman Takeover Code and associated substantial acquisition rules do not apply to us.

As a matter of general corporate law, the directors of a Cayman exempted company are required to act in good faith in what they reasonably consider to be in the best interests of the company. Any exercise by the Board of the authority conferred upon it by our amended and restated memorandum and articles of association will be subject to this fiduciary standard.

Corporate Governance

Our directors have certain statutory and fiduciary duties. All of the directors have equal and overall responsibility for our management (although directors who also serve as employees will have additional responsibilities and duties arising under their employment agreements and may be expected to have a more intimate understanding of the company's day to day activities than non-executive directors).

At common law, a director has a fiduciary duty to act in good faith in what the director considers to be the interests of the company, and of exercising due care and skill. In addition, directors are subject to statutory duties and duties under our amended and restated memorandum and articles of association to ensure the maintenance of proper books of account, the maintenance of certain registers and the making of certain filings, as well as the disclosure of personal interests.

Particular duties also apply to directors of insolvent companies (for example, a director may be held to have breached his fiduciary duties where he is found to have conducted a company's business while insolvent, without due regard to the interests of its creditors).

Liquidation; Rights upon Liquidation

We benefit from perpetual succession, meaning that we will continue our existence indefinitely unless dissolved or wound up by special resolution of the shareholders on a voluntary basis, or on application of a creditor to a court having jurisdiction.

The rights of the shareholders to a return of our assets on dissolution or winding up, following the settlement of all claims of creditors, may be prescribed in our amended and restated memorandum and articles of association or the terms of any shares issued by the Board from time to time. The holders of preference shares, if any, in particular, may have the right to priority over ordinary or other shareholders in a dissolution or winding up of us. If our amended and restated memorandum and articles of association and terms of issue of our shares contain no specific provisions in respect of a dissolution or winding up then, subject to the shareholder priorities and the rights of any creditors, the assets will be distributed to shareholders in proportion to the capital paid-up, or credited as paid up, on the shares held at the commencement of the winding up. Our amended and restated memorandum and articles of association provides that our ordinary shareholders are entitled to participate in a winding up, and the method by which the property will be divided shall be determined by the liquidator, subject to a special resolution by the shareholders, but such rights by ordinary shareholders to participate may be subject to the rights of any preference shareholders to participate under the terms of any series or class of preference shares.

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No Share Certificates

We do not intend to issue share certificates unless certificates are required by law, any relevant stock exchange, recognized depository, or operator of any clearance or settlement system, or the terms of issue of any class or series of its shares.

Under our amended and restated memorandum and articles of association, holders of our ordinary shares will have no right to certificates for their shares, except on request. Holders' rights to request certificates for shares are subject to any resolution of the Board determining otherwise.

Stock Exchange Listing

Our A Ordinary Shares are listed on NASDAQ under the symbol GBLI.

No Liability for Further Calls or Assessments

Pursuant to the provisions of our amended and restated memorandum and articles of association, all shares issued and allotted by us shall be issued fully paid as to their nominal value, together with any premium determined by the Board at the time of issue and shall be non-assessable, meaning that no additional contributions are required to be made to us in respect of our ordinary shares issued and allotted upon completion of the transaction.

Transfer and Registration of Shares

Our share register will be maintained by our transfer agent. Registration in this share register will be determinative of membership in us. Any of our shareholders who hold shares beneficially will not be the holder of record of such shares. Instead, the depository (for example, Cede & Co., as nominee for DTC) or other nominee will be the holder of record of such shares. Accordingly, a transfer of shares from a person who holds such shares beneficially to a person who will also hold such shares beneficially through the same depository or other nominee will not be registered in our official share register, as the depository or other nominee will remain the record holder of such shares.

A written instrument of transfer will be required under Cayman law in order to register on our official share register any transfer of shares (1) from a person who holds such shares directly to any other person or (2) from a person who holds such shares beneficially to another person who also will hold such shares beneficially where the transfer involves a change in the depository or other nominee that is the record owner of the transferred shares. An instrument of transfer also will be required for a shareholder who directly holds shares to transfer those shares into his or her own broker account (or vice versa). No Cayman Islands stamp duty will be payable in respect of any transfer of our shares.

Our amended and restated memorandum and articles of association grants the Board general discretion to decline to register an instrument of transfer without giving a reason, however, this general discretion expires after two months.

Among other things, the Board may decline to register a transfer of shares unless a registration statement under the Securities Act is in effect with respect to the transfer or the transfer is exempt from registration. Further, our amended and restated memorandum and articles of association provides that the Board must decline to register a transfer of shares if it appears to the Board that the effect of such transfer would mean that a U.S. Person owned Controlled Shares constituting 9.5% or more of the value of the company or the voting shares of the company.

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DESCRIPTION OF THE DEPOSITARY SHARES

General

We may offer depositary shares, each representing a specified fraction of a share of a particular series of preferred shares. Depositary receipts evidencing depositary shares will be issued to those persons purchasing the fractional shares of the related preferred shares.

The shares of any class or series of preferred shares represented by depositary shares will be deposited under a deposit agreement among Global Indemnity, a depositary selected by Global Indemnity and the holders of the depositary receipts, whom we refer to in this section as owners. Subject to the terms of the deposit agreement, each owner will be entitled to all the rights and preferences of the preferred shares represented by the depositary share in proportion to the fraction of a preferred share represented by the depositary share, including dividend, voting, redemption and liquidation rights.

Dividends and Other Distributions

The depositary will distribute all cash dividends or other distributions received on the related preferred shares to the owners in proportion to the number of depositary shares owned. In the event of a distribution other than in cash, the depositary will distribute property received by it to the owners, unless the depositary determines that it is not feasible to make the distribution, in which case the depositary may, with our approval, sell the property and distribute the net proceeds from the sale to the owners.

Withdrawal of Shares

Upon surrender of the depositary receipts, unless the related depositary shares have previously been called for redemption, the owner is entitled to delivery of the number of whole shares of the related preferred shares and any money or other property represented by his depositary shares. Holders of the whole preferred shares will not be entitled to exchange the preferred shares for depositary shares. If the delivered depositary receipts evidence a number of depositary shares in excess of the number of whole preferred shares to be withdrawn, the depositary will deliver to the owner a new depositary receipt evidencing this excess number at the same time. In no event will fractional preferred shares be delivered upon surrender of depositary receipts.

Redemption of Depositary Shares

Whenever we redeem preferred shares held by the depositary, the depositary will redeem the number of depositary shares representing the related preferred shares. The redemption price per depositary share will be equal to the applicable fraction of the redemption price per preferred share. If less than all the depositary shares are to be redeemed, the depositary shares to be redeemed will be selected by lot or pro rata as may be determined by the depositary or us.

Voting the Preferred Shares

Upon receipt of notice of any meeting at which the holders of the preferred shares are entitled to vote, the depositary will mail the information contained in the notice to the record owners of the depositary shares. Each record owner on the record date, which will be the same as the record date for the preferred shares, may instruct the depositary how to exercise its voting rights pertaining to the preferred shares represented by the owner's depositary shares. The depositary will endeavor, insofar as practicable, to vote the number of the preferred shares represented by these

depository shares in accordance with the instructions, and we will agree to take all action which the depository deems necessary in order to enable the depository to