

XL GROUP LTD

Form PREM14A

April 16, 2018

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

XL GROUP LTD

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1)

Title of each class of securities to which transaction applies:

Common shares, \$0.01 par value per share

(2)

Aggregate number of securities to which transaction applies:

As of March 28, 2018, there were issued and outstanding: 258,171,836 common shares (including 16,000 restricted common shares issued and outstanding under XL Group Ltd's Amended and Restated 1991 Performance Incentive Program (excluding treasury shares held by XL Group Ltd) and the Directors Stock & Option Plan; 2,327,946 common shares issuable under restricted share units granted under XL Group Ltd's Amended and Restated 1991 Performance Incentive Program and the Directors Stock & Option Plan; 1,564,212 common shares issuable under performance unit awards granted under XL Group Ltd's Amended and Restated 1991 Performance Incentive Program and the Directors Stock & Option Plan; and 9,511,372 common shares subject to outstanding options to purchase XL common shares under XL Group Ltd's Amended and Restated 1991 Performance Incentive Program and the Directors Stock & Option Plan.

(3)

Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

The maximum aggregate value was determined based upon the sum of: (1) 258,171,836 common shares multiplied by \$57.60 per share; (2) 2,327,946 common shares issuable under restricted share units multiplied by \$57.60 per share; (3) 1,564,212 common shares issuable under performance unit awards multiplied by \$57.60 per share; and (4) the sum of each of the 9,511,372 common shares subject to outstanding options to purchase XL common shares multiplied by the excess, if any, of (a) \$57.60 per share, over (b) the applicable per share exercise price. In accordance with Section 14(g) of the Securities Exchange Act of 1934, as amended, the filing fee was determined by multiplying the sum calculated in the preceding sentence by 0.0001245.

(4)

Proposed maximum aggregate value of transaction:
\$15,345,891,531.61

(5)

Total fee paid:
\$1,910,563.50

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1)

Amount Previously Paid:

(2)

Form, Schedule or Registration Statement No.:

(3)

Filing Party:

(4)

Date Filed:

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PRELIMINARY PROXY STATEMENT — SUBJECT TO COMPLETION — DATED APRIL 16, 2018

[•] [•], 2018

Dear XL Group Ltd Shareholder:

We cordially invite you to the special general meeting of the shareholders of XL Group Ltd (“XL”), to be held at One Bermudiana Road, Hamilton, HM 08, Bermuda, on [•] [•], 2018 at 9:00 a.m., Atlantic time or any adjournment thereof. We refer to such meeting as the “special general meeting.”

On March 5, 2018, XL entered into an Agreement and Plan of Merger with AXA SA (“AXA”) and Camelot Holdings Ltd., a wholly-owned subsidiary of AXA (“Merger Sub”) (we refer to the Agreement and Plan of Merger as the “merger agreement”). Pursuant to the merger agreement and a statutory merger agreement that is an exhibit to the merger agreement, Merger Sub will be merged with and into XL, with XL surviving the merger as a wholly-owned subsidiary of AXA (which we refer to as the “merger”).

Pursuant to the terms and subject to the conditions set forth in the merger agreement, at the effective time of the merger (which we refer to as the “effective time”), each holder of common shares of XL, \$0.01 par value per common share (which we refer to as the “common shares”, and each as a “common share”), issued and outstanding immediately prior to such time (other than any common share that is owned by XL as treasury shares, by wholly-owned subsidiaries of XL or by AXA, Merger Sub or wholly-owned subsidiaries of AXA (with certain exceptions)) will be entitled to receive, with respect to each such common share, \$57.60 in cash, without interest and less any required withholding taxes (which we refer to as the “merger consideration”). Common shares are currently quoted on the New York Stock Exchange under the symbol “XL” and on the Bermuda Stock Exchange under the symbol “XL.BH.”

We are soliciting proxies for use at the special general meeting or any adjournment thereof to consider and vote upon proposals to approve: (1) the merger agreement, the statutory merger agreement required in accordance with Section 105 of the Bermuda Companies Act 1981, as amended, and the merger (which we refer to as the “merger proposal”), (2) on an advisory (non-binding) basis, the compensation that may be paid or become payable to XL’s named executive officers in connection with the merger, as described in the proxy statement (which we refer to as the “compensation advisory proposal”) and (3) an adjournment of the special general meeting, if necessary or appropriate, to solicit additional proxies, in the event that there are insufficient votes to approve the merger proposal at the special general meeting (which we refer to as the “adjournment proposal”). Holders of common shares will be entitled to vote on all three proposals. We urge all shareholders to read this proxy statement and the documents included with this proxy statement carefully and in their entirety.

The XL board of directors has unanimously (1) determined that the merger, on the terms and subject to the conditions set forth in the merger agreement, is fair to, and in the best interests of, XL, (2) approved the merger, the merger agreement and the statutory merger agreement and (3) resolved that the merger proposal and the compensation advisory proposal be submitted to XL’s shareholders for their consideration at the special general meeting.

Accordingly, the XL board of directors recommends that XL shareholders vote “FOR” the merger proposal, “FOR” the compensation advisory proposal and “FOR” the other proposal described in this proxy statement in respect of which they are entitled to vote.

Pursuant to XL’s bye-laws, as the XL board of directors has unanimously approved the merger proposal, the affirmative vote of a majority of the votes cast by holders of common shares present in person or represented by proxy and entitled to vote at the special general meeting or any adjournment thereof at which a quorum under XL’s bye-laws is present will be required to approve the merger proposal. Approval of the merger proposal by holders of common shares is necessary to complete the merger.

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Your vote is very important. Whether or not you plan to attend the special general meeting, please take the time to complete, date, sign and return the enclosed proxy card in the accompanying prepaid reply envelope, or submit your proxy by telephone or through the Internet. We ask that you do so as promptly as possible to ensure that your shares may be represented and voted at the special general meeting or any adjournment thereof. You may revoke a submitted proxy prior to its exercise at the special general meeting, or any adjournment thereof, in any of the following ways: (1) submitting a later-dated proxy by telephone or through the Internet prior to the telephone or Internet voting deadline indicated on your proxy card; (2) submitting a later-dated proxy card; (3) giving notice of revocation or executing a subsequent proxy, in either case to the Secretary of XL in writing at XL Group Ltd, One Bermudiana Road, Hamilton, HM 08, Bermuda such that it is received by the Secretary of XL at least one hour before the commencement of the special general meeting, or any adjournment thereof, as required under XL's bye-laws to permit the necessary examination and tabulation of the subsequent proxy or revocation before the votes are taken; or (4) attending and voting in person at the special general meeting, or any adjournment thereof.

If your common shares are held in street name by your bank, broker, trustee, custodian or other nominee (which we generally refer to as "banks", "brokers" or "nominees"), your bank, broker or other nominee, as applicable, will not be permitted to vote your shares without instructions from you. If you are a holder of depositary interests representing common shares (which we refer to as "DIs") through CREST or the Corporate Sponsored Nominee Service held through Computershare Investor Services PLC (which we refer to as "Computershare UK"), the relevant voting instructions have been provided by Computershare UK (if you hold DIs directly) or your bank, broker or other nominee. You should instruct your bank, broker or other nominee as to how to vote your shares by following the procedures provided by your bank, broker or other nominee. You also will not be able to vote your shares in person at the special general meeting or any adjournment thereof unless you present a form of personal photo identification and obtain a legal proxy form from Computershare UK or your bank, broker or other nominee. You will need to follow the instructions of Computershare UK or your bank, broker or other nominee in order to obtain such a legal proxy form.

Please note that holders of common shares through banks, brokers or other nominees and holders of DIs may be required to submit voting instructions to Computershare UK (for direct holders of DIs) or bank, broker or other nominee, as applicable, at or prior to the deadline applicable to registered holders of common shares. Therefore, holders of common shares through banks, brokers or other nominees and holders of DIs should follow the separate instructions that will be provided by Computershare UK (for direct holders of DIs) or bank, broker or other nominee, as applicable. Computershare UK or your bank, broker or other nominee, as applicable, will not be able to vote your common shares unless it receives appropriate and timely instructions from you.

The accompanying proxy statement provides you with detailed information about the special general meeting, the merger agreement and the merger. A copy of the merger agreement is attached as Annex A to the proxy statement. A copy of the statutory merger agreement is attached as Annex A-1 to this proxy statement. We encourage you to read the entire proxy statement and its annexes, including the merger agreement, carefully.

If you have any questions or need assistance voting your shares, please call D.F. King & Co., XL's proxy solicitor, at (877) 732-3613 (toll-free within the United States) or at (212) 269-5550 (outside the United States).

Thank you in advance for your cooperation and continued support.

Sincerely,

[•]

Michael McGavick

Chief Executive Officer

[•]

Eugene M. McQuade

Chairman of the Board of Directors

The proxy statement is dated [•] [•], 2018, and is first being mailed to XL's shareholders on or about [•] [•], 2018.

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NONE OF THE SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION, THE REGISTRAR OF COMPANIES IN BERMUDA OR THE BERMUDA MONETARY AUTHORITY HAS APPROVED OR DISAPPROVED THE MERGER, PASSED UPON THE MERITS OR FAIRNESS OF THE MERGER AGREEMENT OR THE TRANSACTIONS CONTEMPLATED THEREBY, INCLUDING THE MERGER, OR PASSED UPON THE ADEQUACY OR ACCURACY OF THE INFORMATION CONTAINED IN THIS PROXY STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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XL GROUP LTD

One Bermudiana Road, Hamilton HM 08, Bermuda

NOTICE OF SPECIAL GENERAL MEETING OF SHAREHOLDERS

To be Held on [•] [•], 2018

[•] [•], 2018

To XL Group Ltd Shareholders:

On March 5, 2018, XL Group Ltd (which we refer to as “XL”) entered into an Agreement and Plan of Merger with AXA SA (“AXA”) and Camelot Holdings Ltd., a wholly-owned subsidiary of AXA (“Merger Sub”) (we refer to the Agreement and Plan of Merger as the “merger agreement”). Pursuant to the merger agreement and a statutory merger agreement that is an exhibit to the merger agreement, Merger Sub will be merged with and into XL, with XL surviving as a wholly-owned subsidiary of AXA (which we refer to as the “merger”).

Notice is hereby given that a special general meeting of shareholders (which we refer to as the “special general meeting”) of XL will be held at XL’s offices at One Bermudiana Road, Hamilton, HM 08, Bermuda, on [•] [•], 2018 at 9:00 a.m., Atlantic time, for the following purposes:

•
Proposal 1: to approve the merger agreement, the statutory merger agreement required in accordance with Section 105 of the Bermuda Companies Act 1981, as amended (which we refer to as the “Companies Act”), and the merger;

•
Proposal 2: on an advisory (non-binding) basis, to approve the compensation that may be paid or become payable to XL’s named executive officers in connection with the merger, as described in this proxy statement; and

•
Proposal 3: to approve an adjournment of the special general meeting, if necessary or appropriate, to solicit additional proxies, in the event that there are insufficient votes to approve Proposal 1 at the special general meeting.

Consummation of the merger is conditioned on, among other things, the approval of Proposal 1 (which we refer to as the “merger proposal”), but is not conditioned on the approval of Proposal 2 (which we refer to as the “compensation advisory proposal”) or Proposal 3 (which we refer to as the “adjournment proposal”).

Only XL shareholders of record, as shown in XL’s register of members at the close of business on [•] [•], 2018, will be entitled to notice of, and to vote at, the special general meeting and any postponement or adjournment thereof. Holders of common shares, par value \$0.01 per common share, of XL (which we refer to as “common shares”, and each as a “common share”), will be entitled to vote on all of the above proposals.

If you hold your common shares in the name of a bank, broker, trustee, custodian or other nominee (which we generally refer to as “banks”, “brokers” or “nominees”), or if you are a holder of depositary interests representing common shares (which we refer to as “DIs”) through CREST or the Corporate Sponsored Nominee Service held through Computershare Investor Services PLC (which we refer to as “Computershare UK”), and you plan to attend the special general meetings, you must present a form of personal photo

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identification and a legal proxy form from Computershare UK or your bank, broker or other nominee, as applicable, to be admitted to the special general meeting. You will need to follow the instructions of Computershare UK or your bank, broker or other nominee in order to obtain such a legal proxy form.

Your vote is very important. Whether or not you plan to attend the special general meeting, please take the time to complete, date, sign and return the enclosed proxy card in the accompanying prepaid reply envelope, or submit your proxy by telephone or through the Internet. We ask that you do so as promptly as possible to ensure that your shares may be represented and voted at the special general meeting.

You may revoke a submitted proxy prior to its exercise at the special general meeting, or any adjournment thereof, in any of the following ways: (1) submitting a later-dated proxy by telephone or through the Internet prior to the telephone or Internet voting deadline indicated on your proxy card; (2) submitting a later-dated proxy card; (3) giving notice of revocation or executing a subsequent proxy, in either case to the Secretary of XL in writing at XL Group Ltd, One Bermudiana Road, Hamilton, HM 08, Bermuda such that it is received by the Secretary of XL at least one hour before the commencement of the special general meeting, or any adjournment thereof, as required under XL's bye-laws to permit the necessary examination and tabulation of the subsequent proxy or revocation before the votes are taken; or (4) attending and voting in person at the special general meeting, or any adjournment thereof.

THE XL BOARD OF DIRECTORS HAS UNANIMOUSLY (1) DETERMINED THAT THE MERGER, ON THE TERMS AND SUBJECT TO THE CONDITIONS SET FORTH IN THE MERGER AGREEMENT, IS FAIR TO, AND IN THE BEST INTERESTS OF, XL, (2) APPROVED THE MERGER, THE MERGER AGREEMENT AND THE STATUTORY MERGER AGREEMENT AND (3) RESOLVED THAT THE MERGER PROPOSAL AND THE COMPENSATION ADVISORY PROPOSAL BE SUBMITTED TO THE XL SHAREHOLDERS FOR THEIR CONSIDERATION AT THE SPECIAL GENERAL MEETING. ACCORDINGLY, THE XL BOARD OF DIRECTORS RECOMMENDS THAT XL SHAREHOLDERS VOTE "FOR" THE MERGER PROPOSAL, "FOR" THE COMPENSATION ADVISORY PROPOSAL AND "FOR" THE OTHER PROPOSAL DESCRIBED IN THIS PROXY STATEMENT IN RESPECT OF WHICH THEY ARE ENTITLED TO VOTE.

For purposes of Section 106(2)(b)(i) of the Companies Act, the XL board of directors considers \$57.60, without interest and less any applicable withholding taxes, to be fair value for each common share. XL shareholders who are not satisfied that they have been offered fair value for their shares and whose shares are not voted in favor of the merger proposal may exercise their appraisal rights under the Companies Act to have the fair value of their shares appraised by the Supreme Court of Bermuda (which we refer to as the "Bermuda Court"). XL shareholders intending to exercise appraisal rights **MUST** file their application for appraisal of the fair value of their shares with the Bermuda Court within **ONE MONTH** of the giving of the notice convening the special general meeting.

By Order of The Board of Directors,

[•]

Kirstin Gould

Secretary

Hamilton, Bermuda

[•] [•], 2018

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Voting Securities