

BALDWIN TECHNOLOGY CO INC
Form 8-K
May 10, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) May 10, 2011 (May 5, 2011)

Baldwin Technology Company, Inc.
(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

1-9334
(IRS Employer Identification No.)

13-3258160
(Commission File Number)

Two Trap Falls Road, Suite 402, Shelton, CT
(Address of Principal Executive Offices)

06484
(Zip Code)

203-402-1000
(Registrant's Telephone Number, Including Area Code)

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 4.02 Non-Reliance on Previously Issued Financial Statements or a Related Audit Report or Completed Interim
(a) Review.

On May 5, 2011, the Board of Directors of Baldwin Technology Company, Inc. (“Baldwin” or the “Company”), upon the recommendations of management and the Audit Committee of the Board of Directors, concluded that its previously issued financial statements for the fiscal year ended June 30, 2010 and for the interim periods ended September 30, 2010 and December 31, 2010 contained in the Company’s (i) Annual Report on Form 10-K for the year ended June 30, 2010, and (ii) Quarterly Reports on Form 10-Q for the quarters ended September 30 and December 31, 2010, respectively, should no longer be relied upon and that the Company should restate its financial results for those periods. Restatement of these financial statements is necessary to reverse the recognition of certain sale transactions in the fourth quarter of fiscal 2010 at the Company’s Japanese operations and recognize these transactions in the first and second quarters of fiscal 2011 when the sales actually occurred. The incorrect recognition of revenue was caused by irregularities at the Company’s Japanese operations.

As illustrated in the table below, the correction of the above mentioned errors (in thousands) resulted in (i) reduction of net sales and operating income for the three months and year ended June 30, 2010 by \$4,037 and \$1,984, respectively, (ii) increase in net sales and decrease in operating loss in the three months ended September 30, 2010 by \$3,382 and \$1,674, respectively, (iii) increase of net sales and decrease of operating loss for the three months ended December 31, 2010 by \$655 and \$310, respectively, and (iv) increase in net sales and decrease of operating loss for the six months ended December 31, 2010 by \$4,037 and \$1,984, respectively.

| | Fiscal Year 2010 (in thousands) For the Year Ended June 30, 2010 | | Fiscal Year 2011 (in thousands) Three Months Ended December 31, 2010 | | Six Months Ended December 31, 2010 |
|--------------------------------|--|---------|---|-----------|---|
| Net Sales | | | | | |
| As previously reported | 151,818 | 38,451 | 42,203 | 80,654 | |
| Correction for improper cutoff | (4,037) |) 3,382 | 655 | 4,037 | |
| Restated | 147,781 | 41,833 | 42,858 | 84,691 | |
| Cost of Sales | | | | | |
| As previously reported | 106,682 | 27,638 | 29,764 | 57,402 | |
| Correction for improper cutoff | (2,053) |) 1,708 | 345 | 2,053 | |
| Restated | 104,629 | 29,346 | 30,109 | 59,455 | |
| Operating income (loss) | | | | | |
| As previously reported | 7,514 | (2,585) |) (518) |) (3,103) |) |
| Correction for improper cutoff | (1,984) |) 1,674 | 310 | 1,984 | |
| Restated | 5,530 | (911) |) (208) |) (1,119) |) |
| Net Income (loss) | | | | | |
| As previously reported | 5,028 | (1,112) |) (618) |) (1,730) |) |
| Correction for improper cutoff | (1,151) |) 38 | 858 | 896 | |
| Restated | 3,877 | (1,074) |) 240 | (834) |) |
| Earnings per share | | | | | |
| As previously reported | \$0.32 | (0.07) |) (0.04) |) (0.11) |) |
| Correction for improper cutoff | (0.07) |) 0 | 0.06 | 0.06 | |
| Restated | \$0.25 | (0.07) |) 0.02 | (0.05) |) |

There was no change to previously reported total cash flows from operations, investing or financing activities.

The Company has determined that the above-mentioned restatements of its financial statements resulted from material weaknesses in the control environment for its internal control over financial reporting in its operations in Japan. The Company has taken steps to remediate the material weaknesses in place at June 30, 2010 which include Japan and global organization and management changes. Additionally, management has implemented on a Company-wide basis additional procedures and enhanced certain existing procedures that it expects will have an immediate effect on improving the Company's internal control environment and its internal controls over financial reporting, including additional procedures for reviewing and monitoring its controls and procedures related to revenue recognition.

The Board of Directors and the Audit Committee have discussed these matters with Grant Thornton LLP, the Company's independent registered public accounting firm.

The Company is in the process of preparing revised financial statements for the above-referenced periods, which will be included in an amended Annual Report on Form 10-K/A for fiscal year 2010 and amended Quarterly Reports on Form 10-Q/A for each of the quarters ended September 30, 2010 and December 31, 2010. The Form 10-K/A will reflect the adjustments noted above, and in addition, will reflect in the supplemental selected quarterly financial data to the Financial Statements for fiscal year 2010, corrections of the inappropriate treatment of certain expenses incurred at the Japanese operations in certain quarters of the fiscal year ended June 30, 2009. These irregularities had no impact on the fiscal year 2009 since they involved the deferral of the expenses in the earlier quarters of 2009 followed by the recognition of such expenses in the fourth quarter of 2009. The Company intends to file the amended reports as promptly as practicable.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

BALDWIN TECHNOLOGY COMPANY, INC.
(Registrant)

By: /s/ Ivan R. Habibe
Ivan R. Habibe
Vice President, Chief Financial
Officer and Treasurer

Dated: May 10, 2011

regulatory license or approval to do so, or Platinum US has not yet been approved as a reinsurer by the cedent. Such business will be reinsured pursuant to the Quota Share Retrocession Agreements. In addition, Platinum US has authority to write renewals of certain non-traditional reinsurance contracts for a period of three years on behalf of St. Paul Fire and Marine or Mountain Ridge Insurance Company, a wholly owned subsidiary of St. Paul. Platinum US bears all the expenses incurred in underwriting and administering traditional and non-traditional business that it reinsures. St. Paul Fire and Marine is required to pay the direct and reasonable indirect costs of non-traditional business not reinsured by Platinum US. Platinum UK and St. Paul Reinsurance Company Limited ("St. Paul Re UK") entered into a similar agreement dated as of November 1, 2002 providing Platinum UK with substantially the same rights to underwrite business on behalf of St. Paul UK. In addition, St. Paul Re UK, St. Paul Management Limited and Platinum UK entered into a UK Business Transfer Agreement under which Platinum UK acquired the reinsurance business of St. Paul Re UK, together with the associated customer lists and goodwill (other than the assumption of liability for, or the management of, existing reinsurance contracts entered into by St. Paul Re UK on or prior to November 1, 2002). Platinum UK is entitled to write reinsurance business for its own account and benefit in succession to St. Paul Re UK. In consideration for the transfer, a portion of the St. Paul Option, covering 894,260 Common Shares with an aggregate exercise price of \$8,119,881, was allocated to St. Paul Re UK. Pursuant to the agreement, St. Paul Re UK reimbursed Platinum UK for a prorated portion of the 2002 annual bonuses of eligible employees of Platinum UK who would have been eligible to receive bonuses from St. Paul Re UK in the amount of approximately \$699,128. The Company and Platinum UK entered into Master Services Agreements with St. Paul and St. Paul Re UK pursuant to which St. Paul and its subsidiaries provide certain services, including accounting, payroll administration, human resources management and systems support, at cost until the Company and Platinum UK deem it no longer necessary. The Company's Master Services Agreement, which originally was scheduled to terminate on June 30, 2003, was amended by the parties to extend until June 30, 2004 with respect to certain services. The Company and Platinum UK are required to pay St. Paul and St. Paul Re UK a total of \$147,025 for services provided in 2002 under the Master Services Agreements. The Company and Platinum UK also entered into Run-off Services Agreements with St. Paul and St. Paul Re UK, pursuant to which the Company and Platinum UK, for a period of up to two years following completion of the Public Offering, provide St. Paul and St. Paul Re UK with specified services at cost in administering the run-off of certain reinsurance contracts. St. Paul and St. Paul Re UK paid the Company and Platinum UK approximately \$366,125 for services provided in 2002 under the Run-off Services Agreements. Pursuant to the Employee Benefits and Compensation Matters Agreement, St. Paul transferred certain of its employees to the Company. The agreement provides for the allocation of assets and liabilities and certain other agreements with respect to employee compensation and benefit plans. In addition, St. Paul is required to reimburse the Company in the amount of \$4,328,676, representing a prorated portion of the 2002 annual bonuses of eligible employees of Platinum US and

Platinum Bermuda who would have been eligible to receive bonuses from St. Paul. The agreement also provides that St. Paul shall reimburse the Company for severance payments made pursuant to the terms of the St. Paul Enhanced Severance Program to employees transferred from St. Paul who were terminated within 90 days following 22 completion of the Public Offering. St. Paul is required to pay the Company \$898,880 in respect of those severance payments. In addition, the agreement provides that St. Paul will reimburse the Company pro rata for any retention bonuses that are paid to certain employees of the Company. The Company was granted a royalty-free, limited, non-sublicensable (except to the Company's operating subsidiaries), non-transferable, exclusive license to use certain St. Paul trademarks and service marks in connection with the Company's reinsurance business until November 1, 2003 pursuant to the Transitional Trademark License Agreement. The Company entered into sublease agreements with St. Paul or one of its subsidiaries under which subsidiaries of the Company sublease office space in New York and London at a rate equivalent to St. Paul's cost. A total of \$532,045 was paid under those agreements for 2002.

TRANSACTIONS WITH RENAISSANCERE Concurrently with the completion of the Public Offering, the Company sold 3,960,000 Common Shares (or 9% of the outstanding Common Shares) to RenaissanceRe at a price of \$22.50 per share less the underwriting discount (the "RenaissanceRe Investment") in a private placement pursuant to the Investment Agreement. In addition, RenaissanceRe received an option to purchase up to 2,500,000 additional Common Shares at any time during the ten years following the Public Offering at a purchase price of \$27.00 per share. The Investment Agreement provides that, for so long as RenaissanceRe beneficially owns Common Shares representing at least 62.5% of the Common Shares purchased pursuant to the Investment Agreement, one qualified person designated by RenaissanceRe, who is reasonably acceptable to the Company, but not an officer, director or employee of RenaissanceRe or any of its subsidiaries, will be nominated by the Company for election as a director of the Company at each shareholder meeting at which directors are elected and the Company shall use commercially reasonable efforts to cause this director's appointment to the Executive Committee and, subject to applicable law, rules or regulations, the Governance Committee of the Board of Directors of the Company. The Investment Agreement also provides that, for so long as RenaissanceRe beneficially owns Common Shares representing at least 62.5% of the Common Shares purchased pursuant to the Investment Agreement, RenaissanceRe will have the right to designate a representative to attend (but not to vote at) meetings of the Board of Directors and to receive notices, agendas, minutes and all other materials distributed to participants at such meetings. The Company and RenaissanceRe entered into a Transfer Restrictions, Registration Rights and Standstill Agreement as of November 1, 2002, pursuant to which, prior to November 1, 2003, RenaissanceRe may not transfer any interest in the Common Shares it purchased pursuant to the Investment Agreement except under certain conditions. Under this agreement, RenaissanceRe will have the right to require the Company, subject to certain specified exceptions, on four occasions to register under the 1933 Act any Common Shares owned by RenaissanceRe or its affiliates for sale in a public offering beginning as of November 1, 2003 unless the Company consents to an earlier date. The Company has also agreed to use its reasonable best efforts to enable RenaissanceRe, from and after the third anniversary of the completion of the Public Offering, to distribute the Common Shares it beneficially owns in an offering on a continuous or delayed basis pursuant to a registration statement under the 1933 Act. After November 1, 2006, RenaissanceRe will have the right to an additional two demand registrations if RenaissanceRe beneficially owns more than 9.9% of the Common Shares then outstanding. Each demand must include a number of Common Shares with a market value equal to at least \$50 million, except that this limitation will not apply to RenaissanceRe's last demand registration. This agreement also contains provisions regarding indemnification of each of RenaissanceRe and the Company by the other, restrictions on RenaissanceRe regarding the acquisition of Common Shares in certain circumstances, and requirements relating to pre-emptive rights and participation in Common Share buy-back programs. The Company entered into a five-year Services and Capacity Reservation Agreement with RenaissanceRe, effective October 1, 2002, pursuant to which RenaissanceRe provides services to the subsidiaries of the Company in connection with its property catastrophe book of business. At the Company's request, RenaissanceRe will analyze the Company's property catastrophe treaties and contracts 23 and will assist the Company in measuring risk and managing the Company's aggregate catastrophe exposures. Based upon such analysis, RenaissanceRe will furnish quotations at the Company's request for rates for non-marine non-finite property catastrophe retrocessional coverage with aggregate limits up to \$100 million annually, either on an excess-of-loss or proportional basis. The Company and RenaissanceRe may then enter into retrocessional agreements on the basis of the quotations. The fee for the coverage commitment and the services provided by RenaissanceRe under this agreement is \$4 million at inception and at each anniversary, adjusted to 3.5% of the Company's gross written non-marine

non-finite property catastrophe premium for the previous annual period, if such amount is greater than \$4 million. Either party may terminate this agreement if the other is deemed impaired or insolvent by applicable regulatory or judicial authorities or is the subject of conservation, rehabilitation, liquidation, bankruptcy or similar insolvency proceedings. The Company paid a total of \$4 million to RenaissanceRe pursuant to this agreement for 2002. Platinum Bermuda entered into a Referral Agreement with Renaissance Underwriting Managers Ltd. ("RUM"), a subsidiary of RenaissanceRe, effective November 1, 2002 (the "Referral Agreement"), pursuant to which RUM provides referrals of treaty and facultative reinsurance contracts to Platinum Bermuda (the "Referred Contracts"). Under the Referral Agreement, Platinum Bermuda has the opportunity to quote on Referred Contracts that would not otherwise be presented to Platinum Bermuda in the normal course. Under the Referral Agreement, Platinum Bermuda pays RUM an annual finder's fee and, in certain circumstances, a profit commission for Referred Contracts actually bound by Platinum Bermuda in accordance with formulas set forth in the Referral Agreement. Under the Referral Agreement, RUM may elect, at the time it refers a Referred Contract, to cause Platinum Bermuda to retrocede up to 30% of such Referred Contract actually bound by Platinum Bermuda (the "RenRe Retro Share"). The finder's fee and any profit commission due to RUM under the Referral Agreement is reduced by the amount of the RenRe Retro Share. The RenRe Retro Share may be subject to an aggregate loss ratio cap that will limit the maximum liability of RenaissanceRe to 225% of Gross Premium Written (as defined in the Referral Agreement) for each annual period. The Referral Agreement expires on October 31, 2007. No amounts were paid to RUM under the Referral Agreement in 2002. Subject to the approval of the Maryland Insurance Administration, Platinum US intends to enter into a similar agreement with RUM. OTHER TRANSACTIONS The Company is a party to an investment management agreement with Alliance Capital Management L.P. ("Alliance"), pursuant to which Alliance provides investment advisory services to the Company. The Company pays a fee to Alliance for these services based on the amount of the Company's assets managed by Alliance. A total of \$208,709 is payable to Alliance for investment advisory services provided in 2002. Holly Price, a Senior Vice President at AllianceBernstein Institutional Investment Management, a unit of Alliance, is the wife of Michael Price, the President and Chief Underwriting Officer of Platinum US. AUDIT COMMITTEE REPORT The Audit Committee of the Board of Directors is currently composed of the three directors whose names appear at the end of this report. The members are independent as defined in the New York Stock Exchange's listing standards, which provide, among other things, that directors shall have no relationship with the Company that may interfere with the exercise of their independence from management and the Company. The Board of Directors has determined that the members of the Audit Committee also meet the qualifications set forth in the New York Stock Exchange's listing standards regarding financial literacy and accounting or related financial management expertise. The Audit Committee is responsible for, among other things, reviewing with management and the independent auditors the audited financial statements to be included in the Company's Annual Report on Form 10-K, reviewing with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61, "Communications With Audit Committees," as amended by Statement on Audit Standards No. 90, "Audit Committee Communications" ("SAS No. 61") and recommending whether the audited financial statements should be included in the Company's Annual Report on Form 10-K. The Company's management has the primary responsibility for the financial statements and the reporting process, including the systems of internal controls. In this context, the Audit Committee has reviewed and discussed the Company's audited financial statements as of December 31, 2002 and for the period from April 19, 2002 to December 31, 2002 with management and KPMG LLP, the Company's independent auditors, and the Audit Committee has discussed with KPMG LLP the matters required to be discussed by SAS No. 61, including the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments, and the disclosures in the financial statements. KPMG LLP reported to the Audit Committee regarding the critical accounting policies and practices used in the preparation of the audited financial statements as of December 31, 2002 and for the period from April 19, 2002 to December 31, 2002; any alternative treatments within generally accepted accounting principles for policies and practices related to material items that have been discussed with management, including the ramifications of the use of such alternative treatments and the treatment preferred by KPMG LLP; and any material written communications between KPMG LLP and management. KPMG LLP also provided to the Audit Committee the written disclosures and the letter required by Independence Standards Board Standard No. 1, "Independence Discussions with Audit Committees," as adopted by the Independence Standards Board, and the Audit Committee discussed with KPMG LLP its independence. When considering KPMG LLP's independence, the Audit Committee considered, among other matters, whether KPMG

LLP's provision of non-audit services to the Company is compatible with maintaining the independence of KPMG LLP. Based on the reviews and discussions with management and KPMG LLP referred to above, the Audit Committee has recommended to the Board of Directors that the audited financial statements as of December 31, 2002 and for the fiscal year then ended be included in the Company's Annual Report on Form 10-K for such fiscal year. The Audit Committee also recommended to the Board of Directors that KPMG LLP be selected as independent auditors of the Company for the year 2003, subject to shareholder ratification as required by Bermuda law. H. Furlong Baldwin, Chairman Jonathan F. Bank Dan R. Carmichael The foregoing Report of the Audit Committee shall not be deemed to be "soliciting material" or "filed" with the SEC or incorporated by reference in any previous or future document filed by the Company with the SEC under the Securities Act or the Exchange Act, except to the extent that the Company specifically incorporates such Report by reference in any such document.

PROPOSAL 2 -- ELECTION OF PLATINUM BERMUDA DIRECTORS Pursuant to the Company's Bye-Laws, when any matter is required to be submitted to a vote of the shareholders of any direct or indirect non-U.S. subsidiary of the Company, the Company is required to submit a proposal relating to such matter to the shareholders of the Company, and the Company shall then vote or cause to be voted all the shares of such subsidiary owned by the Company in accordance with or proportional to the vote of its shareholders. Accordingly, the shareholders of the Company are being asked to consider the following proposal. The Board of Directors of Platinum Bermuda currently consists of three directors: Gregory E.A. Morrison, Michael D. Price and William A. Robbie. Messrs. Price and Robbie were appointed directors in November 2002 to fill vacancies on the Platinum Bermuda Board. Mr. Morrison was appointed director in June 2003 to fill the vacancy created when Mr. Fadden, Platinum Bermuda's former Chairman and Chief Executive Officer, resigned as director of Platinum Bermuda in May 2003. The terms of office of each of the current directors will expire at the next annual general meeting of Platinum Bermuda, which will be 25 held on the date of the Annual Meeting. Each of the current directors has been nominated by the Board of Directors of Platinum Bermuda for election as a director at the Annual Meeting to serve until the next annual general meeting of Platinum Bermuda. Set forth below is biographical and other information regarding the nominees for election as directors of Platinum Bermuda, including their principal occupations during the past five years. Gregory E.A. Morrison..... Age: 45 Director of Platinum Bermuda since 2003 Mr. Morrison has been President and Chief Executive Officer of the Company since June 2003. Mr. Morrison was President and Chief Executive Officer of London Reinsurance Group Inc. ("LRG"), a Canadian reinsurance company that he founded, from 1989 until 1998 and again from September 2000 until May 2003. Mr. Morrison also served as the Chairman of LRG operating subsidiaries in the United States, Barbados and Ireland and as a member of the LRG board of directors. From January 1999 to June 2000, Mr. Morrison served as President of Unum Reinsurance, the reinsurance division of Unum Provident Corporation. Michael D. Price..... Age: 36 Director of Platinum Bermuda since 2002 Mr. Price has been President and Chief Underwriting Officer of Platinum US since November 2002. Mr. Price was Chief Underwriting Officer of St. Paul Re from June 2002 until November 2002. Mr. Price served as Chief Operating Officer of Associated Aviation Underwriters Incorporated, a subsidiary of Global Aerospace Underwriting Managers Ltd. specializing in aerospace insurance, from March 2001 through May 2002. From May 2000 to September 2000, Mr. Price was Chief Underwriting Officer at Swiss Re America Holding Corporation, a reinsurance holding company. He was Senior Vice President and Chief Underwriting Officer of Underwriters Re Group, Inc., a reinsurance holding company, from May 1998 until May 2000. William A. Robbie..... Age: 52 Director of Platinum Bermuda since 2002 Mr. Robbie has been Executive Vice President and Chief Financial Officer of the Company since November 2002. Mr. Robbie was Executive Vice President and Chief Financial Officer of St. Paul Re from August 2002 until November 2002. Prior thereto, Mr. Robbie held various positions with XL Capital Ltd. and its subsidiaries, including Executive Vice President -- Financial Services, Senior Vice President -- Treasurer, and Executive Vice President, Chief Financial Officer and Chief Administrative Officer. The Board of Directors of Platinum Bermuda has no reason to believe that any of these nominees would be unable or unwilling to serve if elected. If a nominee becomes unable or unwilling to accept nomination or election, the Board of Directors of Platinum Bermuda will select a substitute nominee and the Common Shares represented by proxies may be voted for such substitute nominee unless the shareholders indicate otherwise. **THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" ALL NOMINEES TO THE PLATINUM BERMUDA BOARD OF DIRECTORS.**

PROPOSAL 3 -- RATIFICATION OF APPOINTMENT OF PLATINUM UK DIRECTORS Pursuant to the Bye-Law provisions discussed in connection with Proposal 2 above, the shareholders of the Company are being asked to consider the following proposal. 26 The Board of Directors of Platinum UK currently consists of six directors:

Christopher C. Ballard, Michael J. Coldman, A.P.D. Lancaster, Gregory E.A. Morrison, Craig T. Pettengell and Robert S. Porter. According to Platinum UK's Articles of Association, the appointment of executive (employee) directors appointed after June 2002 must be ratified by Platinum UK's sole shareholder, Platinum Regency Holdings ("Platinum Regency"). Platinum Regency is a direct non-U.S. subsidiary of the Company. Mr. Pettengell was appointed to the Board in October 2002, while Mr. Morrison and Mr. Porter were appointed directors in May 2003 to fill the vacancies created by the resignations of Mr. Fadden and Mr. Price. Messrs. Pettengell, Morrison and Porter have each been approved as directors by the United Kingdom Financial Services Authority. Each of Messrs. Ballard and Coldman were appointed to the Board before June 2002 and, therefore, their appointments do not require ratification by Platinum Regency. In addition, the appointment of Platinum UK's non-executive (non-employee) director, Mr. Lancaster, does not require ratification by Platinum Regency. Set forth below is biographical and other information regarding Messrs. Morrison, Pettengell and Porter, including their principal occupations during the past five years. Gregory E.A. Morrison..... Age: 45 Director of Platinum UK since 2003 Mr. Morrison has been President and Chief Executive Officer of the Company since June 2003. Mr. Morrison was President and Chief Executive Officer of London Reinsurance Group Inc. ("LRG"), a Canadian reinsurance company that he founded, from 1989 until 1998 and again from September 2000 until May 2003. Mr. Morrison also served as the Chairman of LRG operating subsidiaries in the United States, Barbados and Ireland and as a member of the LRG board of directors. From January 1999 to June 2000, Mr. Morrison served as President of Unum Reinsurance, the reinsurance division of Unum Provident Corporation. Craig T. Pettengell..... Age: 36 Director of Platinum UK since 2002 Mr. Pettengell has been General Manager -- Finite Underwriting of Platinum UK since November 2002. Mr. Pettengell was General Manager -- Non-Traditional Underwriting of St. Paul Reinsurance Company Ltd from 1998 until November 2002 and Chief Actuary from 1995 to 1998. He also served as a Director of St. Paul Reinsurance Company Ltd. from 1995 to 2002. Robert S. Porter..... Age: 39 Director of Platinum UK since 2003 Mr. Porter has been Managing Director and Chief Executive Officer of Platinum UK since June 2003. Mr. Porter was Senior Vice President of Platinum Underwriters Reinsurance, Inc. from November 2002 until June 2003. Mr. Porter was Senior Vice President of St. Paul Re, Inc. and General Manager of its Miami office from 1996 until November 2002. Prior thereto, Mr. Porter held various underwriting positions in the New York and London operations of St. Paul Re. The Board of Directors of Platinum UK has no reason to believe that any of these nominees should not be ratified as directors of Platinum UK. **THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE RATIFICATION OF THE PLATINUM UK DIRECTORS. PROPOSAL 4 -- APPROVAL OF SECTION 162(M) PERFORMANCE INCENTIVE PLAN** The Board of Directors recommends that the shareholders approve the Company's Section 162(m) Performance Incentive Plan (the "Plan"), which has been adopted by the Board of Directors subject to 27 shareholder approval. The Plan will enable the Company to provide incentive compensation to certain executive officers of the Company whose compensation is tax deductible for U.S. federal income tax purposes in a manner that qualifies for deduction as "performance-based compensation" under Section 162(m) of the Internal Revenue Code. (See "Internal Revenue Code Section 162(m)" under "Compensation Committee Report" above). If approved by the shareholders, the Plan will become effective on January 1, 2004. If shareholder approval is not obtained, the Plan will not take effect. The Plan does not represent the sole means by which the Company may provide incentive compensation to its executive officers or other employees. The following is a summary of the material terms of the Plan. This description is qualified by reference to the full text of the Plan, which is attached hereto as Annex B. **DESCRIPTION OF THE PLAN** Purpose. The purpose of the Plan is to provide a means of determining incentive compensation for certain of the Company's executive officers in a manner that qualifies as "performance-based compensation" within the meaning of Section 162(m). The Plan will be coordinated with the Company's incentive compensation plans for executive officers who are not covered by Section 162(m) to provide for a consistent means of determining incentive compensation for the senior management. Administration. The Plan will be administered by the Compensation Committee of the Board (or other committee designated the Board) or subcommittee thereof which must consist solely of two or more directors who qualify as "outside directors" within the meaning of Section 162(m) (the "Committee"). The Committee may delegate to any appropriate officer or employee of the Company responsibility for certain ministerial functions (but not the exercise of discretion) under the Plan. Eligibility. Eligibility to participate in the Plan is limited to the executive officers of the Company who are or may become "covered employees" under Section 162(m), in the determination of the Committee. Eligible employees who are designated by the Committee will become participants under the Plan. Awards. The Plan permits the grant of both short-term

(annual) incentive awards and long-term incentive awards. Awards may be denominated by reference to a cash amount (a "Cash-Based Award") or by reference to a number of Common Shares, including restricted shares or share units (a "Share-Based Award"). A participant's right to payment of an award is contingent upon the achievement of pre-established performance goals relating to objective performance criteria established by the Committee for the performance period of the award. The performance period for an award will be determined by the Committee, but will be no longer than five years. A participant may receive an award with respect to more than one performance period under the Plan, which periods may be overlapping. Maximum Awards. The maximum amount of payment under all Cash-Based Awards payable to any one participant during any one calendar year is limited under the Plan to \$3,000,000. The maximum number of Common Shares that may be subject to all Share-Based Awards granted to any one participant during any one calendar year is limited under the Plan to 100,000 shares. Performance Criteria. The business criteria upon which the performance goals under an award may be based will be one or the combination of the following, as determined by the Committee: net income, earnings per share, operating income, book value per share, return on equity, stock price performance, cash flow and/or underwriting gain or loss. These criteria will be measured in accordance with accounting principles generally accepted in the United States, Statutory Accounting Principles (as defined in the Plan), if applicable, or such other objective measure as established by the Committee at the time of the award. Performance Goals. For each award granted under the Plan, before the 90th day of the performance period, the Committee will determine the type of award, the duration of the performance period, the performance criteria, the applicable performance goals relating to the performance criteria, and the amount and terms of payment to be made upon achievement of the performance goals. The performance goals may be applied on an absolute or relative basis to an identified index or peer group, as specified by the Committee. The performance goals must be objective and preclude the use of discretion to increase the amount of an award. The performance goals may be applied by the Committee after excluding charges for restructurings, discontinued operations, extraordinary items, and other unusual or non-recurring items, and the cumulative effects of accounting changes, each as determined in accordance with accounting principles generally accepted in the United States or Statutory Accounting Principles, if applicable, provided the adjustments are specified at the time the award is established. Payment of Awards. Following the completion of a performance period for an award, the Committee will certify in writing the degree of achievement of the performance goals. The amount payable to a participant under any award upon the achievement of the performance goals may be decreased, but may not be increased, in the discretion of the Committee, based on such factors as it may consider appropriate. An award may be paid out in any combination of cash or Common Shares, including restricted shares, or share units, in the discretion of the Committee. Payment of awards may be deferred or subject to such additional requirements as the Committee may determine. Any Common Shares that become payable under an award shall be paid from the shares previously authorized under the Share Incentive Plan, and shall be subject to the terms and conditions of such plan. Plan Amendment. The Plan may from time to time be amended, suspended or terminated, in whole or in part, by the Board, provided that no such action shall adversely affect the rights of a participant with respect to outstanding awards. A plan amendment will be subject to shareholder approval if necessary to satisfy the requirements of Section 162(m). New Plan Benefits. The terms of awards under the Plan are to be determined based upon the discretion of the Committee. Since no such determinations have yet been made and since the actual value of future awards will be based upon the future performance of the Company, the benefits or amounts that will be received by or allocated to eligible employees cannot be determined at this time.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" APPROVAL OF THE COMPANY'S SECTION 162(M) PERFORMANCE INCENTIVE PLAN.

PROPOSAL 5 -- RATIFICATION OF SELECTION OF INDEPENDENT AUDITORS Upon recommendation of the Audit Committee, the Board of Directors has selected KPMG LLP, independent certified public accountants, to serve as the Company's independent auditors and KPMG (Bermuda), independent certified public accountants, to serve as Platinum Bermuda's independent auditors for the 2003 fiscal year. KPMG LLP and KPMG (Bermuda) are referred to collectively in this proposal as "KPMG." A proposal will be submitted to shareholders at the Annual Meeting for ratification of such selection as required by Bermuda law. A representative of KPMG will attend the Annual Meeting and will have an opportunity to make a statement and respond to questions. The following table summarizes the aggregate fees billed by KPMG for services rendered for the year ended December 31, 2002:*

| | | | | |
|--------------------|-----------|------------------|-----------|---------------|
| Audit fees(1)..... | \$589,315 | Audit-related | | |
| fees(2)..... | 58,500 | Tax fees(3)..... | 30,000 | All other |
| fees(4)..... | 0 | ----- Total..... | \$677,815 | ----- (1) The |

amount shown for "Audit fees" represents fees for professional services rendered by KPMG for (a) the audit of the Company's annual financial statements for 2002, (b) the review of the Company's financial statements included in its Quarterly Report on Form 10-Q for the period ended September 30, 2002, (c) statutory audits for the Company's insurance subsidiaries and (d) assistance with the review of documents filed with the SEC (including comfort letters and consents). 29 (2) The amount shown for "Audit-related fees" represents audit-related fees for professional services rendered by KPMG for services in connection with the Public Offering. (3) The amount shown for "Tax fees" represents fees for tax compliance, tax advice and tax planning. (4) KPMG did not perform any other services during the Company's 2002 fiscal year. * As the Company was formed in 2002, no services were rendered by KPMG in 2001. The Audit Committee is primarily responsible for managing the Company's relationship with its independent auditors. Subject to ratification by the shareholders of the Company as required by Bermuda law, the Audit Committee has the sole authority to approve the engagement, determine the compensation and oversee the performance of the Company's independent auditors. The Audit Committee has considered whether the provision of non-audit services is compatible with maintaining the independence of KPMG. It is the Company's policy that all audit services and all permitted non-audit services to be provided to the Company by the independent auditors are approved in advance by the Audit Committee (or by one or more of its members if duly authorized by the Audit Committee). The Audit Committee has pre-approved all audit and tax services to be provided by KPMG in 2003. THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE PROPOSAL TO RAIFY THE SELECTION OF INDEPENDENT AUDITORS. ADDITIONAL INFORMATION OTHER ACTION AT THE ANNUAL MEETING As of the date of this statement, the Board of Directors knows of no business that will be presented for consideration at the Annual Meeting other than that referred to above. As to other business, if any, that may come before the Annual Meeting, proxies in the enclosed form will be voted in accordance with the discretion of the person or persons voting the proxies. SHAREHOLDER PROPOSALS FOR 2004 ANNUAL GENERAL MEETING OF SHAREHOLDERS In accordance with the rules of the SEC, any shareholder who wishes to present a proposal at the 2004 Annual General Meeting of Shareholders and to include the proposal in next year's proxy statement must deliver the proposal to the Company's principal executive offices no later than the close of business on November 26, 2003. Proposals should be addressed to the Secretary, Platinum Underwriters Holdings, Ltd., The Belvedere Building, 69 Pitts Bay Road, Pembroke HM 08 Bermuda. Pursuant to Rule 14a-4(c)(1) of the Exchange Act, if a shareholder who intends to present a proposal at the 2004 Annual General Meeting of Shareholders does not notify the Company of such a proposal on or before February 11, 2004, then proxies received by the Company for that meeting will be voted by the persons named as such proxies in their discretion with respect to such proposals. Notices of such proposals are to be sent to the above address. By order of the Board of Directors, Michael E. Lombardozzi Executive Vice President, General Counsel and Secretary Pembroke, Bermuda August 13, 2003 30 ANNEX A CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF PLATINUM UNDERWRITERS HOLDINGS, LTD. I. PURPOSE The Audit Committee (the "Committee") of the Board of Directors (the "Board") of Platinum Underwriters Holdings, Ltd. (the "Company") shall assist the Board in its oversight of the integrity of the Company's financial statements, the Company's compliance with legal and regulatory requirements, the performance, qualifications and independence of the Company's independent auditors, and the performance of the Company's internal audit function. II. ORGANIZATION A. The Committee shall be composed of three or more independent directors appointed by the Board who are neither "affiliated persons" (as defined by the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated thereunder) nor officers or employees of the Company or any entity controlling, controlled by or under common control with the Company and who do not have any other relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of the Committee. The Board shall designate one of the members as Chairman. B. Each member of the Committee shall be financially literate, and one member must have accounting or related financial management expertise, as such qualifications are determined by the Board in its business judgment. In addition, each member shall meet the requirements of all applicable laws and regulations, as they exist from time to time, including those of the New York Stock Exchange and the Securities and Exchange Commission. No Committee member may accept any consulting, advisory or other compensatory fee from the Company, other than compensation relating to such member's service on the Committee or the Board or any other committee thereof. C. The Chairman of the Committee or any two members of the Committee may, and the Secretary on the requisition of the Chairman or any two members shall, at any time summon a meeting of the Committee by giving at least two (2) business days' notice to each member of the

Committee, unless such member consents to shorter notice. D. Notice of a meeting of the Committee need not specify the nature of the business to be considered at such meeting and shall be deemed to be duly given to a member of the Committee if it is given to such member in person or otherwise communicated or sent to such member by registered mail, courier service, telecopier, facsimile, e-mail or other mode of representing words in a legible and non-transitory form at such member's last known address or any other address given by such member to the Company for this purpose. If such notice is sent by next-day courier service, telecopier, facsimile or e-mail, it shall be deemed to have been given the business day following the sending thereof and, if by registered mail, five (5) business days following the sending thereof. E. Meetings of the Committee may be held within or outside of Bermuda, except not in the United States or the United Kingdom. F. The quorum necessary for the transaction of business at a meeting of the Committee shall be a majority of the members of the Committee then in office, present in person or represented. A-1 G. Members of the Committee may participate in any meeting of the Committee by means of such telephone, electronic or other communication facilities from anywhere in the world except the United States and the United Kingdom as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting. H. Each member of the Committee shall have one (1) vote. I. A resolution put to a vote at a duly constituted meeting of the Committee at which a quorum is present and acting throughout shall be carried by the affirmative votes of a majority of the votes cast and in the case of an equality of votes, the resolution shall fail. J. A resolution in writing signed by all of the members of the Committee, which may be in counterparts, shall be as valid as if it had been passed at a meeting of the Committee duly called and constituted, such resolution to be effective on the date on which the last member signs and delivers such resolution to the Company at its address, provided that none of the members signs in the United States or the United Kingdom. III. RESPONSIBILITY AND AUTHORITY A. The Committee shall approve the engagement of the independent auditors (subject to ratification by the shareholders of the Company as required by Bermuda law), and shall determine the compensation and oversee the performance of the independent auditors. The independent auditors are ultimately accountable to the Committee and the Board. The Committee shall approve (or delegate to one of its members the authority to approve) in advance all audit services (which shall include a review of the audit plan) and all permitted non-audit services to be provided to the Company by the independent auditors. Among the non-audit services not permitted to be provided by the independent auditors are bookkeeping or other services related to accounting records or financial statements; financial information systems design and implementation; appraisal or valuation services; fairness opinions; actuarial services; internal audit or outsourcing services; management functions or human resources; and broker-dealer, investment adviser or investment banking services. B. The Committee shall annually request from the independent auditors a formal written statement delineating all relationships between the independent auditors and the Company consistent with Independence Standards Board Standard No. 1 and such other requirements as may be established from time to time, discuss with the independent auditors any such relationships and their impact on the independent auditors' independence, and take appropriate action regarding the independence of the independent auditors, including monitoring the rotation of the lead audit partner and review partner of the independent auditors and establishing procedures for hiring employees and former employees of the independent auditors. C. The Committee shall annually request from the independent auditors a report regarding, and shall periodically discuss with management and the independent auditors, the quality and adequacy of the Company's internal audit function, internal controls and internal auditing procedures, including (i) any significant deficiencies in the design or operation of those controls which could adversely affect the Company's ability to record, process, summarize and report financial data and any material weaknesses in internal controls, and (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls, and shall discuss with the independent auditors how the Company's financial systems and controls compare with industry practices. D. The Committee shall periodically review with management and the independent auditors the quality, as well as the acceptability, of the Company's accounting policies, including the Company's critical accounting policies and practices and the estimates and assumptions used by management in the preparation of the Company's financial statements, and shall discuss with the independent auditors how the Company's accounting policies compare with those in the industry and all alternative treatments of financial information within generally accepted accounting principles that have been discussed with A-2 management, the ramifications of use of such alternative treatments and the treatment preferred by the independent auditors. E. The Committee shall meet at least annually in separate executive sessions with representatives of management, the internal audit function and the

independent auditors to discuss any matters that the Committee or any of these groups believe should be discussed privately. The Committee may meet in its discretion without representatives of management, the internal audit function or the independent auditors. F. The Committee shall review with the independent auditors all material communications between the independent auditors and management, such as any management letters or schedules of unadjusted differences, and shall periodically discuss with the independent auditors whether all material correcting adjustments identified by the independent auditors in accordance with generally accepted accounting principles and the rules of the Securities and Exchange Commission are reflected in the Company's financial statements. G. The Committee shall review with management and the independent auditors any material financial or other arrangements of the Company which do not appear on the Company's financial statements and any transactions or courses of dealing with third parties that are significant in size or involve terms or other aspects that differ from those that would likely be negotiated with independent parties, and which arrangements or transactions are relevant to an understanding of the Company's financial statements. H. The Committee shall discuss with management the Company's guidelines and policies with respect to corporate risk assessment and corporate risk management, including discussion of the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures. I. The Committee shall review with the Board any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's independent auditors or the performance of the internal audit function. J. The Committee shall review with management and the independent auditors the audited financial statements to be included in the Company's Annual Report on Form 10-K and the Annual Report to Shareholders, and shall review and discuss with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61, "Communication With Audit Committees," as amended by Statement on Auditing Standards No. 90, "Audit Committee Communications" ("SAS No. 61"). K. The Committee shall recommend to the Board whether, based on the reviews and discussions referred to above, the audited financial statements should be included in the Company's Annual Report on Form 10-K and the Annual Report to Shareholders. L. The Committee shall review with management and the independent auditors the interim financial statements to be included in the Company's Quarterly Reports on Form 10-Q. M. The Committee shall prepare an annual report as required by the Securities and Exchange Commission for inclusion in the Company's proxy statement. N. The Committee shall approve a code of ethics, as required by rules of the Securities and Exchange Commission, for senior financial officers and such other employees and agents of the Company as it determines. O. The Committee shall establish procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters. A-3 P. The Committee may (in its discretion) and shall (if so directed by the Board) review such other aspects of the affairs of the Company and its subsidiaries as it or the Board deems appropriate, and may make reports and recommendations to the Board with respect thereto. Q. The Committee shall report to the Board on a regular basis. R. The Committee shall have the right as it deems appropriate to retain its own legal and other advisers to assist in the discharge of its duties. The Committee shall have sole authority to retain, evaluate and replace such advisers, including sole authority to approve fees and other retention terms. S. The Committee shall annually review and evaluate its performance and assess the adequacy of this Charter, and shall report the results thereof to the Board. T. The Committee shall cause minutes to be made of all meetings and of the attendance thereat and shall cause such minutes and resolutions adopted by unanimous written consent to be included in the Company's minute book. IV. LIMITS ON RESPONSIBILITY As the role of the Board and the Committee is one of oversight, it is recognized that the Company's management is responsible for preparing the Company's financial statements and the Company's independent auditors are responsible for auditing those financial statements. While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles, or to plan or conduct audits. These are responsibilities of the Company's management and independent auditors. A-4 ANNEX B PLATINUM UNDERWRITERS HOLDINGS, LTD. SECTION 162(M) PERFORMANCE INCENTIVE PLAN SECTION 1. PURPOSE The purpose of this Platinum Underwriters Holdings, Ltd. Section 162(m) Performance Incentive Plan is to provide a means of determining both annual and long-term incentive compensation for certain of the Company's executive officers in a manner that qualifies as "performance-based compensation" within the meaning of Section 162(m) of the Internal Revenue Code. SECTION 2.

DEFINITIONS The following capitalized words as used herein shall have the following meanings: (a) "Award" means any award granted under the Plan to an Eligible Employee by the Committee subject to such terms and conditions as the Committee may establish under the terms of the Plan. (b) "Board" means the Board of Directors of the Company. (c) "Cash-Based Award" means any Award denominated by reference to a dollar amount. (d) "Committee" means the Compensation Committee of the Board (or such other committee of the Board that the Board shall designate from time to time) or any subcommittee thereof consisting of two or more directors each of whom is an "outside director" within the meaning of Section 162(m). (e) "Common Shares" means the common shares of the Company, par value \$0.01 per share. (f) "Company" means Platinum Underwriters Holdings, Ltd., a Bermuda company. (g) "Eligible Employee" means any employee or executive officer of the Company or any of its subsidiaries who is or, in the opinion of the Committee, may become a "covered employee" within the meaning of Section 162(m). (h) "Fair Market Value" of a Common Share as of a given date shall have the same meaning as applies under the 2002 Share Incentive Plan. (i) "GAAP" means accounting principles generally accepted in the United States of America from time to time. (j) "Participant" means an Eligible Employee granted an Award under the Plan. (k) "Performance Criteria" shall have the meaning set forth in Section 4(b) hereof. (l) "Performance Goals" shall have the meaning set forth in Section 4(c) hereof. (m) "Performance Period" means a period determined by the Committee of not more than five years over which the Performance Goals set forth in the Award are to be achieved. (n) "Plan" means this Platinum Underwriters Holdings, Ltd. Section 162(m) Performance Incentive Plan, as it may be amended from time to time. (o) "Restricted Shares" means Common Shares that are issued subject to such restrictions on transfer and other incidents of ownership and such forfeiture conditions as the Committee may determine. (p) "Share-Based Award" means any Award denominated by reference to a number of Common Shares (including Restricted Shares) and/or Share Units. (q) "Share Incentive Plan" means the Company's 2002 Share Incentive Plan, as it may be amended and restated from time to time. (r) "Share Units" means a non-voting unit of measurement based on the Fair Market Value of a Common Share, which entitles a Participant to receive a payment of cash or Common Shares, as determined by the Committee. (s) "Section 162(m)" means Section 162(m) of the Internal Revenue Code of 1986, as amended from time to time, and any regulations promulgated thereunder. (t) "Statutory Accounting Principles" means statutory accounting principles or practices required or permitted for financial reporting purposes by the National Association of Insurance Commissioners and by the department of insurance (or similar regulatory authority) of the jurisdiction of domicile of each insurance company subsidiary of the Company.

SECTION 3. ADMINISTRATION OF THE PLAN (a) Committee Members. The Plan shall be administered by the Committee. The Committee shall have such powers and authority as may be necessary or appropriate for the Committee to carry out its functions as described in the Plan. No member of the Committee shall be liable for any action or determination made in good faith by the Committee with respect to the Plan or any Award thereunder. (b) Discretionary Authority. Subject to the express limitations of the Plan, the Committee shall have authority in its discretion to determine the Eligible Employees to whom, and the time or times at which, Awards may be granted, whether an Award will be a Cash-Based Award or a Share-Based Award, the Performance Period, the Performance Criteria and the Performance Goals, and all other terms of the Award. The Committee shall also have discretionary authority to interpret the Plan, to make all factual determinations under the Plan, and to make all other determinations necessary or advisable for the administration of the Plan. The Committee may prescribe, amend, and rescind rules and regulations relating to the Plan. All interpretations, determinations, and actions by the Committee shall be final, conclusive, and binding upon all parties. (c) Delegation of Authority. The Committee may delegate, to any appropriate officer or employee of the Company, responsibility for certain ministerial functions (but not the exercise of discretion) under this Plan.

SECTION 4. AWARDS (a) Grant of Awards. The Committee may grant to any Eligible Employee Cash-Based Awards and/or Share-Based Awards under the Plan with respect to one or more Performance Periods under the Plan. Performance Periods may run consecutively and/or concurrently, as determined by the Committee. Before the 90th day of the Performance Period, the Committee will determine the type of the Award, the duration of the Performance Period, the Performance Criteria, the applicable Performance Goals relating to the Performance Criteria, and the amount and terms of payment to be made upon achievement of the Performance Goals. (b) Performance Criteria. For purposes of Awards granted under the Plan, the "Performance Criteria" shall be one or any combination of the following, for the Company or any identified subsidiary or business unit, as determined by the Committee at the time of the Award: net income, earnings per share, operating income, book value per share, return on equity, stock price performance, cash flow, underwriting gain or loss. Each of the Performance Criteria shall be applied and interpreted in accordance with GAAP, Statutory Accounting Principles,

if applicable, or such other objective measure as established by the Committee at the time of the Award. (c) Performance Goals. For purposes of Awards granted under the Plan, the "Performance Goals" shall be the levels of achievement relating to the Performance Criteria selected by the Committee for the Award. The Performance Goals shall be expressed as an objective formula or standard that precludes B-2 discretion to increase the amount of compensation payable that would otherwise be due upon attainment of the goal. The Performance Goals may be applied on an absolute basis or relative to an identified index or peer group, as specified by the Committee. The Performance Goals may be applied by the Committee after excluding charges for restructurings, discontinued operations, extraordinary items, and other unusual or non-recurring items, and the cumulative effects of accounting changes, each as determined in accordance with GAAP, Statutory Accounting Principles, if applicable, or such other objective measure established by the Committee, provided the adjustments are specified at the time the Award is established. (d) Maximum Awards. The maximum amount that may become payable to any one Participant during any one calendar year under all Cash-Based Awards is limited to \$3,000,000. The maximum number of Common Shares (including Restricted Shares) and/or Share Units that may be subject to all Share-Based Awards granted to any one Participant during any one calendar year is limited to 100,000 Common Shares and/or Share Units. (e) Negative Discretion. Notwithstanding anything else contained in the Plan to the contrary, the Committee shall have the right, in its discretion, (i) to reduce or eliminate the amount otherwise payable to any Participant under an Award and (ii) to establish rules or procedures that have the effect of limiting the amount payable to any Participant to an amount that is less than the maximum amount otherwise payable under an Award. The Committee shall not have discretion to increase the amount that is otherwise payable to any Participant under an Award. SECTION 5. PAYMENT OF AWARDS (a) Certification. Following the conclusion of the Performance Period of an Award, the Committee shall certify in writing whether the Performance Goals for that Performance Period have been achieved, or certify the degree of achievement, if applicable. (b) Payment. Upon certification of the Performance Goals for a Cash-Based Award, the Committee shall determine the amount of payment to the Participant pursuant to the Award, if any. Upon certification of the Performance Goals for a Share-Based Award, the Committee shall determine the number of Common Shares, Restricted Shares and/or Share Units payable to the Participant pursuant to the Award, if any. Notwithstanding the foregoing, both Cash-Based Awards and Share-Based Awards may be paid in any combination of cash, Common Shares, Restricted Shares and/or Share Units, as determined by the Committee in its discretion, based upon the Fair Market Value of the Common Shares at the time of payment. (c) Share Restrictions. Any Common Shares, Restricted Shares or Share Units payable in respect of an Award shall be subject to such terms, conditions, restrictions and/or limitations as the Committee shall determine in its discretion. Any Common Shares that become payable under an Award shall be paid from the Common Shares authorized under the Company's 2002 Share Incentive Plan, and shall be subject to the terms and conditions of such plan. (d) Employment Requirement. In the event of the termination of employment of a Participant with the Company or a subsidiary before the payment of an Award, the Award shall be forfeited and automatically be cancelled without further action of the Company or the Committee, subject to such conditions as may be approved by the Committee for certain circumstances of termination of employment, such as death or disability, if approved by the Committee in its sole discretion. (e) Tax Withholding. Any payment under this Plan shall be subject to applicable federal, state or local income and employment taxes and any other amounts that the Company is required by law to deduct and withhold from such payment. (f) Deferral of Payments. The Committee may in its discretion grant an Award that provides a Participant the opportunity to elect in writing to defer up to 100% of the payment of amounts payable under the Award, with the election to be made in the manner specified by the Committee. The Committee may in its discretion provide for interest or other investment return on any such deferred amounts. B-3 SECTION 6. GENERAL PROVISIONS (a) Effective Date. Subject to the approval of the Company's shareholders, the Plan shall be effective with respect to calendar years beginning on or after January 1, 2004. (b) Amendment and Termination. The Company may, from time to time, by action of the Board, amend, suspend or terminate any or all of the provisions of the Plan, but no such amendment, suspension or termination shall adversely affect the rights of any Participant with respect to Awards then outstanding. Notwithstanding the foregoing, no amendment will be effective without shareholder approval if such approval is required to satisfy the requirements of Section 162(m). For purposes of Section 162(m), the material terms of the Plan must be re-approved by the shareholders no later than the 2008 Annual General Meeting of Shareholders. (c) Other Compensation. Nothing contained in the Plan shall prohibit the Company or any subsidiary from establishing other additional incentive compensation arrangements for one or more employees of the Company or from paying

compensation outside of the terms of the Plan, whether or not such compensation qualifies as performance-based compensation under Section 162(m). (d) No Right to Employment. Nothing in the Plan shall be deemed to give any Participant the right to remain employed by the Company or any subsidiary or to limit, in any way, the right of the Company or any subsidiary to terminate, or to change the terms, of a Participant's employment at any time. (e) Governing Law. The Plan shall be governed by and construed in accordance with the laws of New York, without regard to choice-of-law rules. B-4 THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" ITEMS 1 THROUGH 5. Please _____ PLEASE MARK YOUR VOTE IN BOX IN THE FOLLOWING MANNER [X] USING DARK INK ONLY. Mark Here || for Address|| Change or |_____| Comments SEE REVERSE SIDE THIS PROXY WILL BE VOTED IN ACCORDANCE WITH SPECIFICATION MADE. IF NO CHOICES ARE INDICATED, THIS PROXY WILL BE VOTED "FOR" ITEMS 1 THROUGH 5. 1. To elect the following nominees to the Company's Board of Directors: 01 H. Furlong Baldwin, 02 Jonathan F. Bank, FOR ALL 3A. To consider and take action FOR AGAINST ABSTAIN 03 Dan R. Carmichael, 04 Neill A. Currie, FOR WITHHOLD EXCEPT upon the proposal to ratify /_/_/_/_/ 05 Jay S. Fishman, 06 Gregory E. A. Morrison, /_/_/_/_/ the appointment of Gregory 07 Steven H. Newman, and 08 Peter T. Pruitt. E. A. Morrison to the Board of To withhold authority to vote for an individual Directors of Platinum Re (UK) nominee strike a line thru the nominee's name. Limited. 2A. To consider and take action upon the proposal FOR AGAINST ABSTAIN 3B. To consider and take action /_/_/_/_/ to elect Gregory E. A. Morrison to the Board /_/_/_/_/ upon the proposal to ratify of Directors of Platinum Underwriters Bermuda, the appointment of Craig T. Ltd. Pettengell to the Board of Directors of Platinum Re (UK) Limited. 2B. To consider and take action upon the proposal 3C. To consider and take action /_/_/_/_/ to elect Michael D. Price to the Board of /_/_/_/_/ upon the proposal to ratify Directors of Platinum Underwriters Bermuda, the appointment of Robert S. Ltd. Porter to the Board of Directors of Platinum Re (UK) Limited. 2C. To consider and take action upon the proposal 4. To consider and approve the FOR AGAINST ABSTAIN to elect William A. Robble to the Board of /_/_/_/_/ Company's Section 162(m) /_/_/_/_/ Platinum Underwriters Bermuda, Ltd. Performance Incentive Plan, which enables the Company to provide incentive compensation to executive officers of the Company who are employed by Platinum Underwriters Reinsurance Inc. In a manner that qualifies "as performance-based compensation" under Section 162(m) of the Internal Revenue Code.

_____| FOR AGAINST
ABSTAIN || 5. To consider and take action /_/_/_/_/|| upon a proposal to ratify || the selection of KPMG, LLP, independent || certified public accountants, as || independent certified public accountants, || as independent auditors for Platinum | RESTRICTED | Underwriters Bermuda, Ltd. for the || 2003 fiscal year. |||| Place "X" Here If You Plan /_/_/|| to Attend and Vote Your || Shares at the Meeting
|_____| Upon such other business as may properly come before the meeting or any adjournment thereof. Signature _____
Signature _____ Dated _____, 2003 Please sign exactly as your name appears above. If shares are held in the name of joint holders, each should sign. If you are signing as a trustee, guardian, executor, etc., please so indicate. ----- *

FOLD AND DETACH HERE * PLATINUM UNDERWRITERS HOLDINGS, LTD. The Belvedere Building 69 Pitts Bay Road 2nd Floor Pembroke HM 08 Bermuda THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS and will be voted FOR Items 1 through 5 if no instructions to the contrary are indicated. The undersigned hereby appoints STEVEN H. NEWMAN, GREGORY E.A. MORRISON and MICHAEL E. LOMBARDOZZI, jointly and severally, proxies, with the power of substitution and with the authority in each to act in the absence of the other, to vote all shares the undersigned is entitled to vote at the Annual General Meeting of Shareholders on September 17, 2003 or postponements or adjournments thereof on all matters that may properly come before the meeting, and particularly to vote as hereinafter indicated. The undersigned hereby acknowledges receipt of the Notice of Annual General Meeting of Shareholders and Proxy Statement dated August 13, 2003. (Continued and to be signed on the reverse side)

_____| ||| Address
Change/Comments (Mark the corresponding box on the reverse side) |
|_____| |||||
|_____|

----- * FOLD AND DETACH HERE *