

Risk and Finance Committee Charter for XL Group Ltd

Purpose

The Risk and Finance Committee (the “Committee”) is appointed by the Board to assist in fulfilling the Board's oversight responsibilities relating to the financial affairs of the Company, as well as the Company's management of enterprise-wide key risks. In this regard, the Committee shall have oversight responsibility of policies, practices and procedures relating to the Company's financial affairs and enterprise risk management, as described below. The Committee's responsibilities shall be discharged taking into account the relevant authorization levels set forth in the Corporate Transactions Authorizations (“CTA”) schedule and the Company's risk limits.

Committee Membership

The Committee shall consist of no fewer than four members. The members of the Committee shall be appointed annually by the Board on the recommendation of the Nominating, Governance and External Affairs Committee. Committee members may be replaced by the Board at any time if necessary or appropriate.

Committee Authority and Responsibilities

- A. With respect to the Committee's responsibilities relating to the oversight of the financial affairs of the Company, the Committee shall:
1. Review and approve financial policies for the Company, including, but not limited to, those relating to: underwriting, foreign exchange, guarantees, collateral monitoring, liquidity and the Company's credit risk framework and related exposures, guidelines and limits. Oversee the Company's compliance with such policies, exposures, guidelines and limits subsequent to approval and approve any exceptions to such policies, guidelines and limits from time to time.
 2. Review and make recommendations to the Board on all significant capital structure and credit facility related issues, including:
 - a. Capital Planning;
 - b. Long-Term Debt Issuances;
 - c. Common and Preferred Equity Issuances;
 - d. Stock and Debt Redemptions or Buybacks; and
 - e. Credit, Letter of Credit and Other Financial Facilities.
 3. Monitor developments as reported by management with respect to the Company's relationship with rating agencies and the Company's ratings.
 4. Review and recommend to the Board dividend policy and declarations.
 5. Review acquisitions and divestitures, joint ventures and minority investments as required under the CTA schedule and, if necessary, recommend such transactions to the Board for approval.
 6. Review the Company's quarterly and annual financial results.
 7. Monitor developments as reported by management with respect to the Company's tax status and make recommendations to the Board with respect thereto.

8. Review and approve the Company's exposure to changes in foreign exchange rates and overall risk management policies and activities to manage such exposures.
9. Review and approve the following investment portfolio policies:
 - a. Overall investment policies for the management of the Company's investment portfolio;
 - b. The strategic asset allocation framework including setting appropriate risk tolerance levels and tactical allocation parameters;
 - c. Overall investment benchmarks to assess investment performance against expectations; and
 - d. Investment portfolio guidelines.

The Committee shall oversee the Company's compliance with the above investment portfolio policies and shall approve any exceptions to such policies from time to time. The Committee shall review the Company's investment performance against the approved benchmarks as well as other key investment performance metrics.

10. Review and approve any other items delegated to the Committee as set forth in the CTA schedule.
- B. With respect to the Committee's responsibilities relating to enterprise risk management, the Committee shall:
1. Oversee enterprise risk management activities, including the risk management framework and risk limits employed by management. In light of the overall risk management framework, the Committee shall (i) review and approve the methodology for establishing the Company's overall risk capacity and limits; (ii) review and approve the policies for the establishment of risk limit frameworks, and (iii) review adherence to such limits and exemptions thereto from time to time as necessary. The review of the Company's overall risk appetites and the evaluation of the risk impact of any material strategic decision being contemplated, including consideration of whether such strategic decision is within the risk profile established by the Company, shall be conducted by the full Board. "Risk appetites," as referred to above, are broad statements used to guide the Company's risk and reward preferences over time, all consistent with, among other factors, business prudence, market opportunities, the underwriting pricing cycle and investment climate and reflect the Company's risk tolerance. Risk appetites are regularly monitored and could change over time in light of the above. Risk appetites do not constitute "Limits" as that term is used in the CTA schedule.
 2. Review the Company's overall risk profile and monitor key risks across the Company's organization as a whole, which may involve coordination with other committees of the Board from time to time as appropriate.
 3. Review the Company's process controls over model use and development with respect to model effectiveness, accuracy, propriety and model risk.
 4. Monitor the Company's risk management performance and obtain reasonable assurance from management that the Company's risk management policies are effective and are being adhered to.
- C. With respect to Committee procedures:
1. The Committee may form and delegate authority to sub-committees when appropriate.

2. The Committee shall annually review its own performance.
3. The Committee shall have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.
4. The Committee shall review and reassess the adequacy of this charter annually and recommend any proposed changes to the Nominating, Governance and External Affairs Committee and ultimately to the Board for approval.

Dated: August 2017