

Special Committee on Enterprise Risk Management Charter for XL Group plc

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Purpose

The Special Committee on Enterprise Risk Management (the "Special Committee") is appointed by the Board to oversee XL Group plc's (the "Company") management of enterprise-wide key risks, including risk identification, assessment, monitoring, management and reporting; to recommend to the Board risk policies and risk limits (other than investment portfolio policies and credit exposure policies, which will be recommended to the Board by the Finance Committee in accordance with its charter); to assess the integrity and adequacy of the risk management function of the Company; and to ensure that sound policies, procedures and practices are in place for the enterprise-wide management of the Company's key risks. The Committee's responsibilities shall be discharged taking into account the relevant authorization levels as approved by the Board and in consultation with the Finance Committee in establishing risk limits, described further below.

Additionally, no later than the Board meeting scheduled for October 2010, the Special Committee will provide its recommendations to the Board of Directors regarding how enterprise risk management should be governed by the Board over time (i.e., whether through making the Special Committee permanent or through assignment of specific tasks to other committees).

Committee Membership

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

Committee Authority and Responsibilities

1. The Special Committee shall oversee the ongoing development of enterprise risk management activities, including the risk management framework employed by management.
2. The Special Committee shall review the adequacy of the Company's resources to perform its risk management responsibilities.
3. The Special Committee shall review and reassess the adequacy of this Charter annually and recommend any changes to the Nominating & Governance Committee and ultimately to the Board for approval.
4. The Special Committee shall: (i) review the methodology for establishing the Company's overall risk capacity; (ii) review and approve the overall risk appetite for the Company; (iii) review the policies for the establishment of risk limit frameworks, and adherence to such limits; (iv) recommend risk limits to the Board for approval for all limits *other than* those related to the investment portfolio and credit exposure policies; and (v) for those authorities and policies related to the investment portfolio and credit exposure policies, review the authorities and policies that are recommended by the Finance Committee in light of the overall risk management framework of the Company. "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. 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 Corporate Transactions Authorizations schedule.

5. The Special Committee shall establish a protocol for approval of risk limit, authorities and policy exceptions by the Finance Committee. The Special Committee, in consultation with the relevant Committee, shall evaluate what actions to take in the event of a risk limit exception.
6. The Special Committee shall review the Company's overall risk profile and monitor key risks.
7. The Special Committee shall evaluate the risk impact of any strategic decision the Board may be contemplating, including consideration of whether such strategic decision is within the risk profile established for the Company, and make its analysis available to the Board.
8. The Special Committee shall review the Company's process controls over model use and development with respect to model effectiveness, accuracy, propriety and model risk.
9. The Special Committee shall monitor the Company's risk management performance and obtain reasonable assurance that the Company's risk management policies are effective and are being adhered to.
10. The Special Committee shall promote awareness on the part of management of the need to manage risk while taking into account an appropriate balance between risk and reward for risks accepted.
11. The Special Committee shall receive and review reports on selected topics as it deems appropriate from time-to-time.
12. The Special Committee shall review and recommend to the Board the relevant authorization levels as contained in the company's Corporate Transactions Authorizations schedule.
13. The Special Committee shall, no later than October 2010, provide its recommendations to the Board of Directors regarding how enterprise risk management should be governed by the Board over time (i.e., whether through making the Special Committee permanent or through assignment of specific tasks to other committees).

As of July 1, 2010