



Updated as of April 21, 2016

## CHARTER OF THE AUDIT COMMITTEE

This Charter of the Audit Committee (this "Charter") has been adopted by the Board of Directors (the "Board") of Aspen Insurance Holdings Limited (the "Company"). The Audit Committee (the "Committee") shall review and reassess this Charter annually and recommend any proposed changes to the Board for approval.

### A. Purpose

The purpose of the Committee is to assist the Board in its oversight of: (i) the integrity of the Company's financial statements, including the accounting and financial reporting process of the Company and audits of the Company's financial statements; (ii) the Company's compliance with legal and regulatory requirements; (iii) the independent auditors' qualifications, performance and independence; (iv) the performance of the Company's internal audit functions; and (v) compliance with relevant legal and regulatory capital requirements by the Company's operating subsidiaries. The Committee shall also prepare the Committee annual report required to be included in the Company's filings with the United States Securities and Exchange Commission (the "SEC"). In fulfilling its purpose, the Committee shall maintain free and open communication with the Company's independent auditors, internal auditors and management.

### B. Duties and Responsibilities

In furtherance of its purpose, the Committee shall have the following duties and responsibilities:

#### General Review

1. To review and discuss major issues regarding accounting principles, policies, practices, and judgments and financial statement presentations, including: (i) any significant changes to the Company's selection or application of accounting principles; (ii) the adequacy and effectiveness of the Company's internal controls over financial reporting; and (iii) any special audit steps adopted in light of material control deficiencies.
2. To review and discuss analyses prepared by management or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative Generally Accepted Accounting Principles ("GAAP") methods on the financial statements.
3. To review and discuss the effect of regulatory and accounting initiatives and any off-balance sheet structures on the Company's financial statements.

#### Financial Information Review



4. To review and discuss with management and the independent auditors the independent auditors' judgments about the quality and appropriateness of the Company's accounting principles and underlying estimates in its financial statements.
5. To review and discuss with management and the independent auditors the Company's annual audited financial statements and quarterly financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," together with the results of the independent auditors' review prior to filing or distribution.
6. To review and discuss with management earnings press releases, paying particular attention to any use of "pro forma" or "adjusted" non-GAAP information.
7. To review and discuss with management and the independent auditors the types of information to be disclosed and presentations to be made in earnings press releases and financial information and earnings guidance provided to analysts and rating agencies.
8. To recommend to the Board whether the audited annual financial statements should be included in the Company's annual report and prepare (or cause to be prepared) the report on such financial statements to be included in the Company's annual proxy statement.

#### Internal Controls

9. To review, or oversee the review of, internal audit functions that seek to ensure the appropriate control process is in place for reviewing and approving the Company's internal transactions and accounting.
10. To discuss with management, the internal auditors and the independent auditors the integrity of the Company's financial reporting processes and controls, including policies and guidelines with respect to risk assessment and risk management and the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.
11. To periodically discuss 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 of the internal audit function, and the adequacy and effectiveness of the Company's internal controls.
12. To discuss periodically with the Company's Chief Executive Officer and Chief Financial Officer: (i) all significant deficiencies and material weaknesses in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data; (ii) any significant changes in internal controls or other factors that could significantly affect internal controls, including any corrective actions with regard to significant deficiencies and material weaknesses; and (iii) any



fraud involving management or other employees who have a significant role in the Company's internal controls.

13. To obtain and review, and discuss with management, management's annual report on internal control over financial reporting.

#### Independent Auditors

14. To appoint, retain, approve the compensation and terms of engagement of, and oversee the work of the independent auditors engaged for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for the Company. The Committee shall approve, or, in the alternative, establish and periodically review pre-approval policies and procedures for all audit engagement fees and terms, including the retention of the independent auditors for any significant permissible non-audit engagement. The Committee may terminate the independent auditors in its sole discretion. The Committee may also take into account the opinions of management in its dealings with the independent auditors.
15. To annually evaluate the experience, qualifications, performance and independence of the independent auditors, including the lead audit partner. The Committee shall assure the regular rotation of the audit partners, including the lead and concurring audit partners, as required by applicable laws, rules and regulations. The Committee shall also consider whether there should be regular rotation of the independent auditors. The Committee may take into account the opinions of management and the internal auditors in its evaluation of the independent auditors. The Committee will present its conclusions regarding independence of the independent auditor to the Board.
16. To review and discuss with the independent auditors any audit problems or difficulties, together with management's responses, including any restrictions on the scope of the independent auditors' activities or on access to requested information, and any significant disagreements with management, and resolve those matters as the Committee deems appropriate.
17. To obtain and review, on an annual basis, a formal written report from the independent auditors describing: (i) the auditing firm's internal quality control procedures; (ii) any material issues raised within the preceding five (5) years by the auditing firm's internal quality-control reviews, peer reviews, or any governmental or other inquiry or investigation relating to any independent audit conducted by the auditing firm, and the steps taken to address such issues; and (iii) all relationships between the independent auditors and the Company.
18. To review and discuss the results of the year-end audit with the independent auditors and any other matters required to be communicated to the Committee by the independent auditors under GAAP principles.
19. To review and discuss with the independent auditors prior to the filing of the audit report with the SEC: (i) all critical accounting policies and practices used by the Company;



- (ii) all material alternative accounting treatments within GAAP that have been discussed with management, including the ramifications of the use of such alternative treatments and the treatment recommended by the accounting firm; and (iii) other material written communications between the accounting firm and management.
20. To review the independent auditors' audit plan, including its scope, staffing, locations, reliance upon management and general audit approach.
  21. To discuss with the independent auditors, the quality of the Company's financial and internal auditing personnel.
  22. To establish clear guidelines for the hiring of current or former employees of the Company's independent auditors.
  23. To discuss with management the responsiveness of the independent auditors to the Company's needs.
  24. To discuss with the independent auditors, and management, as appropriate, any items required to be communicated by the independent auditors in accordance with Statement on Auditing Standards No. 61 not otherwise addressed in this Charter.
  25. To conduct or authorize special projects or investigations appropriate to fulfil its responsibilities, with direct access to the independent auditors and full access to the Company's books, records, facilities and personnel.

#### Subsidiary regulatory capital requirements

26. To review and monitor compliance by the Group's and the Company's operating subsidiaries with relevant regulatory capital requirements.

#### Legal, Compliance and Complaints

27. To review and discuss with the Company's counsel on an annual basis, or more frequently as circumstances dictate, any legal matters that could have a significant impact on the Company's financial statements or the Company's compliance with applicable laws and regulations, any breaches of fiduciary duties and inquiries received from regulators or governmental agencies.
28. To review and discuss with management, the internal auditors and the independent auditors any correspondence with regulators or governmental agencies and any published reports and employee complaints concerning financial matters which raise material issues regarding the Company's financial statements or accounting policies.
29. To establish and maintain procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters, including procedures for the confidential, anonymous submission by the Company's employees of concerns regarding questionable accounting or auditing matters.



30. To investigate any assertions of improper influence on the independent auditors by any officers or directors of the Company or any person acting under their direction.
31. To investigate and address any reports of evidence of a material violation of securities laws or breaches of fiduciary duties.
32. To annually review and reassess the adequacy of the Company's Code of Business Conduct and Ethics ("Code of Conduct") and recommend changes to the Board as necessary.
33. To review requests from directors and executive officers of the Company for waivers from the Code of Conduct, to make recommendations to the Board concerning such requests, and to review any required disclosures relating to such waivers.

#### Other Audit Committee Responsibilities

34. To keep abreast of new accounting and reporting standards promulgated by the Public Company Accounting Oversight Board, the Financial Accounting Standards Board, the SEC and other relevant standard setting bodies.
35. To consider and determine any proposal by management regarding the termination of the Company's contract with the head of internal audit.
36. To perform any other activities consistent with this Charter, the Company's bye-laws, and governing law, as the Committee or the Board deems necessary or appropriate.

#### **C. Outside Advisors**

The Committee, acting by majority vote, shall have the authority to retain, at the Company's expense, outside legal, accounting, or other advisors or experts it deems necessary to perform its duties. The Committee shall retain these advisors without seeking Board approval and shall have sole authority to approve related fees and retention terms and to oversee such advisors' work.

#### **D. Annual Performance Evaluation**

The Committee shall conduct an annual self-performance evaluation, including an evaluation of its compliance with this Charter. The Committee shall report on its annual self-performance evaluation to the Board..

#### **E. Membership, Independence Requirements and Voting**

The Committee shall consist of no fewer than three (3) directors. Each Committee member shall meet the applicable independence requirements of the New York Stock Exchange and any other requirements set forth under applicable SEC laws, rules and regulations. Each Committee



member shall be financially literate (i.e., have an understanding of finance and accounting and be able to read and understand fundamental financial statements), as such qualification is interpreted by the Board in its business judgment or become financially literate within a reasonable period of time after his or her appointment to the Committee. In addition, at least one nominated Committee member shall have accounting or related financial management expertise, as such qualification is interpreted by the Board in its business judgment, and at least one Committee member shall meet the requirements of an “audit committee financial expert” as such term is defined by the SEC. A Committee member who meets the requirements of an "audit committee financial expert" shall be deemed to have accounting or related financial management expertise.

Committee members shall be appointed annually by a majority vote of the Board, taking in to account any recommendations from the Corporate Governance and Nominating Committee. Changes to Committee membership throughout the year will be subject to approval by a majority vote of the Board, taking in to account any recommendations from the Corporate Governance and Nominating Committee. Each prospective Committee member shall carefully evaluate existing time demands before accepting Committee membership. No director may serve as a Committee member if such director serves on the audit committee of more than two (2) other public companies, without the approval of a majority of the other directors to assure that each director is able to devote the requisite energy and attention to the diligent performance of his or her duties on the Audit Committee. The Committee members may be removed, with or without cause, by a majority vote of the Board. Each Committee member shall serve until his or her successor is duly appointed by the Board or until such member's resignation or removal from the Board or the Committee.

Where Committee members are not in unanimous agreement in relation to any matter, that matter may be referred to a vote in which each member present has a single vote. In the event of a tied vote, if less than the entire Committee has voted on such matter, then such matter shall be voted on by the entire Committee. If a tie persists after the entire Committee has voted on the matter, then the Chair (provided that he or she satisfies the relevant tests of independence determined in accordance with applicable laws and regulations) shall have the authority to either (i) settle the matter by exercising an additional casting vote, or (ii) to request that such matter shall be voted on by the independent members of the Board of Directors, with independence being determined in accordance with applicable laws, rules and regulations.

## **F. Chair**

The Committee shall include a Committee Chair, who shall be appointed by a majority vote of the Board. If the Chair is unable to take part in a meeting the remaining members of the Committee shall elect a Chair for that meeting from amongst their number. The Chair of the Committee shall be responsible for presiding over Committee meetings and preparing Committee agendas.



## **G. Meetings**

The Committee shall meet one (1) time per quarter, or more frequently as circumstances dictate, and all Committee members shall strive to be present at all Committee meetings. The Committee shall meet in person at least two (2) times per year. The Committee may request any other director, officer or employee of the Company or its subsidiaries or any of the Company's or its subsidiaries' outside advisors to attend any meeting of the Committee.

The Chair may call a Committee meeting upon due notice of each other Committee member at least forty-eight (48) hours prior to the meeting. Agendas for all meetings will be settled in advance by the Chair, acting in consultation with other members and the management where relevant.

A majority of the Committee members, acting in person or by proxy, shall constitute a quorum. All meetings of the Committee shall take place in Bermuda or at an alternative location approved by the Chair of the Committee. Subject to the Chair's discretion, directors may participate in Committee meetings telephonically. The Committee may take action by unanimous written consent.

The Committee shall be responsible for maintaining minutes and other applicable records of each Committee meeting. The Committee shall appoint a Secretary who shall minute the proceedings and resolutions of all meetings of the Committee, including the names of those present and in attendance. Minutes and action points arising from the Committee shall be circulated promptly to the Chair and provided to all members of the Board as part of subsequent meeting pack.

The Committee shall report its actions and recommendations to the Board after each Committee meeting, and shall review with the Board any issues that arose with respect to the integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance, qualifications and independence of the independent auditors or the performance of the internal audit function. The Committee's report to the Board may take the form of an oral report by the Chair or by another member of the Committee designated by the Committee to make such report.

The Committee may meet separately in executive sessions with management, the independent auditors, and those responsible for the internal audit functions, on a periodic basis, to discuss any matter that the Committee or any of these groups believes may warrant Committee attention.