



Updated as of April 21, 2016

## ASPEN INSURANCE HOLDINGS LIMITED

### CHARTER OF THE COMPENSATION COMMITTEE

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

#### **A. Purpose**

The Committee shall assist in fulfilling the Board's oversight responsibilities relating to compensation. The Board shall be responsible for monitoring and approving the Company's policies relating to the compensation of its management and employees. The Board shall also be responsible for the approval of any issuance of equity or equity-based securities in the form of compensation to its employees. The Committee shall discharge the Board's responsibilities relating to the compensation of the Company's executive directors.

#### **B. Duties and Responsibilities**

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

- To oversee the Group's compensation philosophy and strategy and to make appropriate recommendations to the Board and to executive management as to the implementation of that strategy. In considering the Group's compensation philosophy and strategy, the Committee should consider among other things, any relevant regulatory requirements and best practice guidance issued by relevant authorities impacting the Group's operations while seeking to balance such requirements and guidance with the Group's overall approach to compensation.
- To evaluate and approve on an annual basis the corporate goals and objectives with respect to the compensation for the Chief Executive Officer. The Committee shall evaluate at least one (1) time per year the Chief Executive Officer's performance in light of those established goals and objectives and, based upon these evaluations, shall have the sole authority to determine and approve the Chief Executive Officer's annual compensation package, including salary, bonus, incentive and equity compensation. In determining the long-term incentive component of the Chief Executive Officer's compensation, the Committee shall consider the Company's performance and relative shareholder return, and the value of similar incentive awards to chief executive officers at comparable companies, including previous awards given to the Chief Executive Officer. The Committee may also approve such awards as may, in its opinion, be necessary or desirable to comply with applicable tax laws, rules or regulations.
- To recommend to the Board the compensation of the Chair of the Board.



- To approve the compensation packages of the Company's executive directors and other key employees, as defined by the Committee from time to time, including salary, bonus, pensions, equity and other incentive compensation.
- To periodically evaluate and recommend to the Board the Company's incentive compensation and equity-based plans (the "Plans") and to ensure that awards issued under the Plans conform with, and are subject to, the terms and provisions thereof.
- To prepare the Committee's Compensation Committee Report required to be included in the Company's annual proxy statement pursuant to the rules promulgated by the United States Securities and Exchange Commission (the "SEC") and oversee the Compensation Discussion and Analysis included in the Company's annual proxy statement.
- As permitted by applicable laws, to delegate to any subcommittees or individuals as determined by and pursuant to such conditions and limitations as the Committee may deem appropriate in its sole discretion any of its authorities and responsibilities (including the power and authority to make awards to individuals who are not "insiders" subject to Section 16(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or who are not expected to be "covered employees" within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code")).
- To oversee and recommend to the Board an approach relating to any shareholder advisory vote on executive compensation, including the frequency of such vote.
- To review the results of any shareholder advisory vote on executive compensation and consider whether to recommend to the Board any adjustments to the Company's executive compensation policies and practices.
- To periodically review the Company's talent and workforce management and the Company's compensation, benefits and pension/retirement programs.

### **C. Compensation Consultants and Other Advisors**

The Committee, acting by majority vote, shall have the authority to retain, at the Company's expense, compensation consultants to assist in the evaluation of the Chief Executive Officer, executive director or executive officer compensation. The Committee shall also have the sole authority to retain, at the Company's expense, compensation consultants, legal counsel or other advisors as it deems necessary to perform its duties. In accordance with applicable rules, the Committee shall retain and terminate these advisors without seeking Board approval and shall have sole authority to approve related fees and retention terms and to oversee such advisors' work.

The Committee shall undertake an independence assessment prior to selecting any compensation consultant, legal counsel or other advisors that will provide advice to the Committee (with limited exceptions for in-house legal counsel and certain advisors providing limited services). Such independence assessment shall take into account all factors which the



New York Stock Exchange (the “NYSE”) or the SEC may require from time to time and any other factors that are relevant to that person’s independence from management.

#### **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 and voting**

The Committee shall consist of no fewer than three directors who qualify as independent directors under the listing standards of the NYSE and other requirements set forth in applicable laws, rules and regulations. Members of the Committee shall also qualify as “non-employee directors” within the meaning of Rule 16b-3 promulgated under the Exchange Act. The Committee shall meet any requirements set forth in applicable laws, rules and regulations. Each Committee member shall have knowledge or experience relating to officer, management and employee compensation and related matters.

Committee members shall be appointed annually by a majority vote of the Board, taking into account any recommendations from the Corporate Governance and Nominating Committee. Changes to Committee membership throughout the year shall be subject to approval by a majority vote of the Board, taking into account any recommendations from the Corporate Governance and Nominating Committee. Each prospective Committee member shall carefully evaluate existing time demands before accepting Committee membership. 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. The Committee Chair 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 and Quorum**

The Committee shall meet four times per year 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 once (1) time 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 management where relevant.

A majority of 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. 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.