

## ASPEN INSURANCE HOLDINGS LIMITED

### CORPORATE GOVERNANCE GUIDELINES AND PROCEDURES

#### **Mission Statement**

Aspen Insurance Holdings Limited (the "Company") aspires to the highest standards of corporate governance and ethical conduct. The Company's Board of Directors (the "Board") has adopted the Corporate Governance Guidelines and Procedures (these "Guidelines"), along with the Code of Business Conduct and Ethics and the charters of the standing Board committees, to provide a framework for the governance of the Company that reflects the Board's belief that sound corporate governance will maximize shareholder value over the long-term.

These Guidelines are intended as a component of the flexible framework within which the Board directs the affairs of the Company. While they should be interpreted in the context of applicable laws, regulations and listing requirements, and the Company's bye-laws, these Guidelines are not intended to establish by their own force any legally binding obligations on the Company or its employees or directors.

#### **Board of Directors**

The Board is responsible for providing effective governance over the Company's affairs for the benefit of Company and its shareholders. The Board principally fulfils its responsibilities through its oversight of the Company's management and by reviewing and approving key corporate policies and strategies. In all actions taken by the Board, directors are expected to exercise their business judgment in what they reasonably believe to be the best interests of the Company and its shareholders. Directors must fulfil their responsibilities consistent with their fiduciary duties to shareholders in compliance with all applicable laws, regulations and rules. Directors will also, as appropriate, take into consideration the interests of other stakeholders, including employees and clients. In discharging that obligation, the Board may rely on the honesty and integrity of the Company's senior executives and its outside advisors and auditors.

#### **Selection and Composition of the Board**

*Independence.* The Board shall be composed of a majority of independent directors. The Board has adopted the Director Independence Standards set forth in Exhibit A to assist the Board in making the independence determination on an annual basis. The Director Independence Standards are intended to comply with the New York Stock Exchange ("NYSE") corporate governance rules and all other applicable, laws, rules and regulations regarding director independence in effect from time to time. A director shall qualify as independent for purposes of service on the Board and its committees, if relevant, if the Board has determined that the director has no material relationship with the Company as described in the Director Independence Standards. Any Lead Independent Director appointed by the Board must satisfy the independence criteria enumerated in the Director Independence Standards.

*Qualifications for Director Candidates.* The Corporate Governance and Nominating Committee shall identify, evaluate and recommend that the Board select director nominees for shareholder approval at the applicable annual meetings based on minimum qualifications and additional criteria that the Corporate Governance and Nominating Committee deems appropriate, taking into account the diversity and other needs of the Board. The Corporate Governance and Nominating Committee shall

periodically review the Board's membership to assure the appropriate balance of skills and characteristics. The Board believes that all directors of the Company should be persons who combine the highest standards of integrity and significant accomplishments in their chosen field of endeavour and bring a diversity of experiences, skills and perspectives to the Board as well as knowledge in the areas of insurance, reinsurance, financial services, and other aspects of the Company's activities.

A nominee recommended for a position on the Board must meet the following minimum qualifications:

- have the highest standards of personal and professional integrity;
- have exhibited mature judgment through significant accomplishments in his or her chosen field of expertise;
- have a well-developed career history with specializations and skills that are relevant to understanding and benefiting the Company;
- be able to allocate sufficient time and energy to director duties, including preparation for meetings and attendance at meetings;
- be able to read and understand financial statements to an appropriate level for the exercise of his or her duties; and
- be familiar with, and willing to assume, the duties of a director on the board of directors of a public company.

Certain additional criteria for consideration of a director nominee may include, but are not limited to, the following as the Corporate Governance and Nominating Committee sees fit:

- qualifications and accomplishments and whether they complement the Board's existing strengths;
- leadership, strategic, or policy setting experience;
- experience and expertise relevant to the Company's insurance and reinsurance business, including any actuarial or underwriting expertise, or other specialized skills;
- independence qualifications, as defined by the Director Independence Standards;
- actual or potential conflict of interest, or the appearance of any conflict of interest, in the best interest of the Company and its shareholders;
- ability to represent the interests of all shareholders of the Company; and
- financial literacy, accounting or related financial management expertise as defined by NYSE listing standards, or qualifications as an audit committee financial expert, as defined by SEC rules and regulations.

The Corporate Governance and Nominating Committee may in its discretion engage a third-party search firm and other advisors to identify potential director nominees. The Corporate Governance and Nominating Committee may also identify potential director nominees through director and management recommendations, business, insurance industry and other contacts, as well as through shareholder nominations in accordance with the Company's Policy on Shareholder Proposals for Director Nominees.

*Time Commitment.* Directors shall commit the appropriate time for the preparation and attendance at Board and committee meetings and other corporate governance

matters. Directors shall review meeting materials in advance of the meetings, and spend the requisite time and energy to properly discharge their duties.

*Additional Board Service.* In order to ensure that each director is able to devote the requisite energy and attention to the diligent performance of his or her duties, no director shall serve on the board of directors of more than three other public companies or five other private companies without the prior approval of the Corporate Governance and Nominating Committee. The appointment of a director on the board of a charity or a non-profit organisation shall not count towards such limits. In addition, if a director serves on the board of a subsidiary company and also serves on the board of the parent company of such subsidiary, the director's service on the board of the subsidiary company shall not constitute an additional appointment.

In the case of directors who serve on the Company's Audit Committee, such directors shall not serve on the audit committee of more than two other public company boards without the prior approval of the Board.

*Number of Directors and Term Limits.* The bye-laws of the Company provide that the Board shall consist of not less than six and not more than fifteen directors. The Board believes that this range allows for the necessary diversity of experience without sacrificing accountability or effective debate.

There are no term limits imposed on director tenure. The Board believes that continuous, experienced leadership provides a valuable asset to the Company. Term limits may cause the loss of experience and expertise important to the optimal operation of the Board. However, the Company's bye-laws require directors who are 70 years of age or older to stand for re-election each year rather than every three years as is the case for other directors.

*Change in Status or Responsibility.* If a director has a substantial change in professional responsibilities, occupation or business association he or she should promptly notify the Corporate Governance and Nominating Committee who will evaluate the appropriateness of Board membership given the changed circumstances and make a recommendation to the Board. In certain circumstances, it may be appropriate for such director to volunteer his or her resignation from the Board.

## **Board Leadership**

*Chair of the Board.* The Chair of the Board (the "Chair") shall be appointed by the Board and shall preside at all meetings of the Board and of shareholders. The Chair shall perform such other duties, and exercise such powers, as prescribed in the Company's Bye-Laws or by the Board from time to time.

*Lead Independent Director.* The Board may appoint a Lead Independent Director to help promote best practice corporate governance standards and Board effectiveness. The Lead Independent Director shall be an independent director whose responsibilities shall include the following: (i) work closely with the Chair of the Board and provide support in relation to the Board's operations and governance processes; (ii) chair any meetings of the Board which the Chair cannot attend; (iii) act as an intermediary between other directors and the Chair and Group Chief Executive Officer (the "CEO") as necessary; (iv) have the authority to call meetings of the independent directors and chair meetings of the independent directors not less than once annually; (v) review annually, in conjunction with the independent directors, the Chair's performance; (vi) in conjunction with the Chair, monitor the process by which Board agendas are set, with a view to ensuring that suitable materials are appropriately disseminated in advance of meetings and that sufficient time is made available for discussion of all agenda items, and, when relevant, to require additional materials to

be provided to the Board; (vii) be available to shareholders to address any concerns or issues which have not been addressed by the Chair or the CEO; and (viii) lead the process for the appointment of a new Chair when the need arises.

### **Executive Sessions**

Non-employee directors shall meet in executive session at each regularly scheduled Board meeting, presided by the Chair of the Board, and the independent directors shall meet in executive session at least once during each calendar year, presided by the Lead Independent Director.

Even if a quorum is present at these meetings, the participating directors may not take formal actions at these meetings and may only make recommendations to the full Board. The CEO and any non-employee directors who are not deemed independent will be briefed on the substance of the issues addressed at the executive sessions, as appropriate.

For purposes of these Guidelines, “non-employee directors” are all those directors who are not Company officers (as that term is defined in Rule 16a-1(f) under the U.S. Securities Act of 1933, as amended) and includes directors who are not independent by virtue of a material relationship, former status or family membership, or for any other reason.

### **Operation of Board Meetings**

*Meeting Schedule and Agenda.* Regular meetings of the Board shall be held at least once per quarter with special meetings held from time to time as the Chair deems necessary. Subject to the provision of the Company’s bye-laws and other legal and regulatory considerations, directors may participate in any meeting by telephone, videoconference or by any other similar technology that permits instantaneous communication.

The Chair is responsible for establishing the agenda for each Board meeting in consultation with the CEO. Directors are encouraged to suggest additional topics and are free to raise issues at meetings not specifically on the agenda.

*Meeting Materials and Minutes.* Information important to directors’ understanding of issues to come before the Board or a committee will be provided to directors sufficiently in advance of meetings to allow directors to inform themselves. Directors are expected to review these materials before meeting. Minutes shall be taken by the Company Secretary or Assistant Company Secretary at each meeting.

*Meeting Attendance.* Absent exigent circumstances, each director is expected to attend every Board meeting or gathering, each meeting of a Board committee on which such director serves and each annual general meeting of shareholders. Unless the Board decides otherwise, the Chair and/or CEO may invite others to attend Board meetings.

*Quorum.* Quorum shall be established by the presence, in person or by telephone, videoconference or other similar technology that permits instantaneous communication, or by proxy, of a majority of the directors.

## **Board Committees**

Committees shall be established by the Board to facilitate and assist in the execution of the Board's responsibilities. The Board shall have a Compensation Committee, a Corporate Governance and Nominating Committee and an Audit Committee at all times.

The Board shall appoint committee members upon consideration of the recommendations of the Corporate Governance and Nominating Committee and in consultation with the individual directors. Committee members may be periodically rotated at the recommendation of the Corporate Governance and Nominating Committee, as appropriate. Only independent directors may serve on the Compensation Committee, Corporate Governance and Nominating Committee and Audit Committee.

Each standing committee shall have a written charter which shall comply with the applicable NYSE corporate governance rules and other applicable laws, rules and regulations. The charters shall set forth the purpose, duties and responsibilities of the committees as well as qualifications for committee membership.

The Board may decide to create or terminate additional ad hoc or standing committees from time to time. The Board currently maintains an Investment Committee and a Risk Committee, each of which are additional standing committees, to address investment and risk matters.

The Board shall appoint a chair for each committee. The committee chair, in consultation with the committee members and the Chair where appropriate, shall determine the frequency, length and agenda for each committee meeting. Minutes shall be taken at each committee meeting and each committee shall regularly report to the Board. Committee papers shall be made available to all Board members.

## **Director Access to Senior Management, Employees and Advisors**

Directors shall have unrestricted access to senior management and employees of the Company. A director may arrange contact with senior management and employees through the CEO or the Company Secretary. Directors shall use their judgment to ensure that any such contact is not disruptive to the business operations of the Company. Directors shall make the Chair and the CEO aware of the substance of material communications, as practicable. If appropriate, directors shall copy the CEO on written communications between the director and senior management or employees.

The Board and its committees shall also have access to independent advisors, including legal counsel, external auditors, and regulators without consulting or obtaining the prior approval of the Company's senior management.

## **Director Compensation**

The form and amount of compensation for directors shall be approved by the Board upon the recommendation of the Compensation Committee and compensation consultants, when necessary or appropriate, in accordance with the principles and policies set forth in the Compensation Committee's charter. Directors who are Company employees shall not receive any compensation for their services as directors. Non-executive director compensation should be comparable to non-executive director compensation at other public companies of similar size, complexity, and industry and should align the interests of directors with those of the shareholders. Chairs and members of Board committees and the Lead Independent Director may earn greater compensation based on the greater time commitment required.

Directors shall be reimbursed for reasonable travel expenses properly incurred by them in attending Board and committee meetings and meetings with management that are at the direction of, or have been approved by, the Chair or the CEO.

### **Clawback and Malus Policies**

Under the Company's clawback policy, in circumstances where there is a subsequent and material negative restatement of the Company's published financial results due to fraud, the Company will seek to recover any performance-based compensation from employees and directors involved in such fraudulent activity for the periods subject to material negative restatement.

Under the Company's malus policy, all variable remuneration awards, including annual bonus awards and long-term incentive awards, are conditional upon a sustainable and risk-adjusted performance. Such variable remuneration awards made to employees and directors are therefore capable of forfeiture or reduction at the Company's discretion in circumstances of malus. Any adjustment to an employee's or a director's long-term incentive awards as a result of malus will be determined by the Compensation Committee (in consultation with the Company's relevant U.K. subsidiary for Solvency II purposes) in accordance with its powers under the relevant long-term incentive award plan or, in the case of annual bonus awards, by the Compensation Committee (in consultation with the Company's relevant U.K. subsidiary for Solvency II purposes), the employee's manager or senior management approving any proposed bonus.

### **Share Ownership Guidelines**

The Board and certain senior executives of the Company are subject to share ownership guidelines which require these individuals to maintain a minimum ownership level of Company stock. The terms of the current share ownership guidelines will be reported in the proxy statement for the Company's annual general meeting of shareholders.

### **Directors' and Officers' Insurance and Indemnification**

The Company shall use its best endeavours to purchase reasonable directors' and officers' liability insurance on behalf of its directors and shall indemnify directors and officers to the fullest extent permitted by law and Company policy.

### **Director Orientation and Continuing Education**

Each new director shall be provided with an orientation upon joining the Company. The orientation program shall consist of visits to the Company and its principal subsidiaries and visits with key personnel, as necessary. Topics included in the orientation program may include Aspen's strategic business plans and long-term goals, financial statements and significant accounting issues, risk management issues, regulatory compliance programs, the Code of Business Conduct and Ethics and policies of the Company including those relating to insider trading, the reporting system for integrity concerns, a discussion of these Guidelines and Committee Charters and any other topics that may assist directors in discharging their duties. In addition, directors may expect regular updates from senior management and legal counsel on matters that may assist directors in discharging their duties, including any changes in legal, accounting, or regulatory requirements.

## **Succession Planning**

The Board, acting with input from the Chair, the CEO, and the Corporate Governance and Nominating Committee, shall adopt a management succession plan which addresses policies regarding CEO succession and shall evaluate potential successors for the CEO and senior management. The CEO shall make available his or her recommendations and evaluations of potential successors, along with any development plans recommended for such individuals.

## **CEO Selection and Performance**

The Board shall be responsible for selecting the Company's CEO who should uphold the highest standards of integrity and professional performance and be capable of successfully directing the Company's operations. The Compensation Committee shall conduct an annual performance review of the CEO in accordance with its charter to ensure that the CEO is providing the best leadership for the Company. This evaluation shall be based on the above principles, in addition to an objective assessment of the Company's performance and the accomplishment of long-term strategic goals.

## **Annual Evaluation of the Board Performance**

The Corporate Governance and Nominating Committee shall conduct an annual evaluation of Board performance to determine the effectiveness of the Board and its committees. The format of the evaluation shall be determined by the Corporate Governance and Nominating Committee.

The evaluation will focus on the Board's contribution to the Company and on particular areas which the Board believes the Board or its committees could improve. The evaluation will also focus on the characteristics of the Board members to ensure the appropriate range of talent, skill, and expertise is available to provide sound guidance and oversight to the Company. Each of the standing committees of the Board shall also conduct an annual evaluation of its own performance as provided in its charter. The results of the Board and committee evaluations shall be summarized and presented to the Board.

## **Interlocking Directorates**

No director or executive officer of the Company shall serve as a director of a company where a Company director is an executive officer.

## **Code of Business Conduct and Ethics**

The Company has adopted a Code of Business Conduct and Ethics and other internal policies designed to support the mission statement set forth above and to comply with the applicable laws, rules and regulations that govern the Company's operations. The Code of Conduct applies to all employees of the Company and its subsidiaries, as well as to directors, temporary workers and other independent contractors and consultants that are engaged by or otherwise representing the Company's interests.

## **Communications with Directors**

Shareholders and other interested parties who wish to communicate with a member or members of the Board may do so by mail, c/o Company Secretary, Aspen Insurance Holdings Limited, 141 Front Street, Hamilton HM19, Bermuda, by email to

[secretary@aspen.co](mailto:secretary@aspen.co) or by fax to +1 (441) 295-1829. The Company Secretary will review and forward correspondence to the Board or relevant director(s).

The Board believes that management speaks on behalf of the Company. Directors shall refer all inquiries from institutional investors, the press or customers to the CEO or the CFO, or in both their absence to the Chair of the Board.

### **Website Disclosure**

These Guidelines shall be available on the Company's website at [www.aspen.co](http://www.aspen.co). Each annual proxy statement to the Company's shareholders shall state that these Guidelines are available on the Company website or in print, free of charge, to any requesting shareholder.

### **Amendments**

The Corporate Governance and Nominating Committee shall periodically review and evaluate these Guidelines for effectiveness and compliance with legal and stock exchange requirements and shall periodically report to the Board with any recommendations for change. The Board may amend these Guidelines or grant waivers in exceptional circumstances provided that any such modification or waiver may not be a violation of any applicable law, rule or regulation and further provided that any such modification or waiver is appropriately disclosed.

## Exhibit A

### **Director Independence Standards**

The Board of Directors (the “**Board**”) of Aspen Insurance Holdings Limited (the “**Company**”) has adopted the following standards to assist it in making determinations of independence in accordance with the listing standards of the New York Stock Exchange (“**NYSE**”). The Company believes that independent directors, as well as directors who may be deemed not independent, all make valuable contributions to the Board and the Company by reason of their experience and judgment. The Board acknowledges that no director qualifies as "independent" unless the Board affirmatively determines that such director has no material relationship with the Company.

#### **Employment Relationships**

A director will not be independent if within the preceding three years:

- such director
  - is an employee of the Company or any of the Company’s subsidiaries, other than an interim Chair or Chief Executive Officer or other executive officer;
  - was (but is no longer) an employee of the Company or any of the Company’s subsidiaries, other than as interim Chair or Chief Executive Officer or other executive officer within that time;
  - is a current partner of the Company’s internal or external auditor;
  - is a current employee of the Company’s internal or external auditor; or
  - was (but is no longer) a partner or employee of the Company’s internal or external auditor who personally worked on the Company’s audit within that time.
- any immediate family member of such director
  - is an executive officer of the Company or any of the Company’s subsidiaries;
  - was (but is no longer) an executive officer of the Company or any of the Company’s subsidiaries within that time;
  - is a current partner of the Company’s internal or external auditor;
  - is a current employee of the Company’s internal or external auditor who personally works on the Company’s audit; or
  - was (but is no longer) a partner or employee of the Company’s internal or external auditor who personally worked on the Company’s audit within that time.

## **Commercial Relationships**

A director will not be independent if:

- such director is a current employee of another company that has made payments to, or received payments from, the Company or any of its subsidiaries for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues; or
- an immediate family member of such director is a current executive officer of another company that has made payments to, or received payments from, the Company or any of its subsidiaries for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues.

## **Compensation Relationships**

A director will not be independent if within the preceding three years:

- such director has received during any consecutive twelve-month period more than \$120,000 in direct compensation from the Company or any of its subsidiaries other than: (i) director and committee fees; (ii) pension or other forms of deferred compensation for prior service, *provided, however*, that such compensation is not contingent in any way on continued service; and (iii) compensation received for former service as an interim Chair or Chief Executive Officer or other executive officer; or
- an immediate family member of such director has received during any consecutive twelve-month period more than \$120,000 in direct compensation from the Company or any of its subsidiaries as a director or executive officer other than: (i) director and committee fees and (ii) pension or other forms of deferred compensation for prior service; *provided, however*, that such compensation is not contingent in any way on continued service.

## **Charitable Relationships**

A director will not be independent if, within the preceding three years such director was an executive officer of a tax-exempt organization that received contributions from the Company or any of its subsidiaries in an amount which, in any single fiscal year, exceeded the greater of \$1 million or 2% of such tax-exempt organization's consolidated gross revenues for such single fiscal year; unless the Board determines such relationship to be immaterial or otherwise consistent with a Director's independence.

## **Interlocking Directorates**

A director will not be independent if, within the preceding three years:

- such director is or was employed as an executive officer of another company where any of the Company's or its subsidiaries' present executive officers at the same time serves or served on that company's compensation committee; or
- an immediate family member of such director is or was employed as an executive officer of another company where any of the Company's or its subsidiaries'

present executives at the same time serves or served on that company's compensation committee.

### **Other Relationships**

For relationships not specifically mentioned above, the determination of whether a director has a material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company), and therefore would not be independent, will be made by the Board after taking into account all relevant facts and circumstances. For purposes of these standards, a director who is solely a director and/or a noncontrolling shareholder of another company that has a relationship with the Company and/or is, directly or indirectly, a security holder of the Company will not be considered to have a material relationship based solely on such relationship that would impair such director's independence.

For purposes of the standards set forth above, "**immediate family member**" means any of such director's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law and brothers and sisters-in-law (other than those who are no longer family members as a result of legal separation or divorce, or those who have died or become incapacitated) and anyone (other than a domestic employee) who shares such director's home.

For purposes of the standards set forth above, "**executive officer**" means the Company's president, principal financial officer, principal accounting officer (or, if there is no such accounting officer, the controller), any vice-president of the Company in charge of a principal business unit, division or function (such as sales, administration or finance), any other officer who performs a policy-making function, or any other person who performs similar policy-making functions for the Company. Officers of the Company's subsidiaries shall be deemed officers of the Company if they perform such policy-making functions for the Company.

These standards shall be interpreted in a manner consistent with the NYSE Corporate Governance Rules.