

**CHARTER OF THE FINANCE COMMITTEE  
OF  
THE BOARD OF DIRECTORS  
OF  
ENDURANCE SPECIALTY HOLDINGS LTD.**

**(ADOPTED AS OF AUGUST 8, 2013)**

**I. PURPOSE OF THE COMMITTEE**

The purposes of the Finance Committee (the "Committee") of the Board of Directors (the "Board") of Endurance Specialty Holdings Ltd. (the "Company") shall be to review and monitor the investment and financing activities, policies, guidelines and limits of the Company and its subsidiaries. The Committee shall establish appropriate investment performance metrics for the Company and its subsidiaries and monitor the performance of the investment portfolios of the Company and its subsidiaries against such performance metrics.

**II. COMPOSITION OF THE COMMITTEE**

The Committee shall be comprised of three or more directors. The members of the Committee shall be elected annually to one-year terms by the affirmative vote of a majority of the Board members at the first meeting of the Board to be held following the annual general meeting of shareholders or as soon thereafter as practicable. Vacancies on the Committee shall be filled by like vote of the Board at the next meeting of the Board following the occurrence of the vacancy or as soon thereafter as practicable. A member may be removed from the Committee at any time, with or without cause, by like vote of the Board.

**III. MEETINGS AND PROCEDURES OF THE COMMITTEE**

The Board shall designate one member of the Committee as its Chairperson. The Committee shall fix its own rules of procedure, which shall be consistent with the Bye-Laws of the Company and this Charter. The Committee shall establish a regular meeting schedule, which shall be at least two times annually or more frequently as circumstances require. The Chairperson of the Committee or a majority of the members of the Committee may also call a special meeting of the Committee. A majority of the members of the Committee present in person or by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other shall constitute a quorum. All actions of the Committee will require the vote of a majority of its members present at a meeting of the Committee at which a quorum is present. The Committee shall maintain minutes of its meetings and shall regularly report on its actions to the Board.

The Committee may form subcommittees for any purpose that the Committee deems appropriate and may delegate to such subcommittees such power and authority as the Committee deems appropriate; *provided, however*, that no subcommittee shall consist of fewer than two members; and *provided further* that the Committee shall not delegate to a subcommittee any power or authority required by any law, regulation or listing standard to be exercised by the Committee as a whole.

The Committee shall have access to any of the books and records of the Company and its subsidiaries that the Committee shall consider relevant to carrying out its duties and may require any officer or employee of the Company or any subsidiary to attend meetings of the Committee and provide to it any information available to the Company or any subsidiary relevant to the Committee's activities, except as the Board may otherwise direct.

#### **IV. COMMITTEE RESPONSIBILITIES**

The Committee shall have the following goals and responsibilities with respect to the Company's and its subsidiaries' investment portfolios and financing obligations:

(a) to review and approve periodically the policies, guidelines and risk limits governing the Company's and its subsidiaries' investment activities and portfolios;

(b) to monitor compliance with the policies, guidelines and risk limits governing the Company's and its subsidiaries' investment portfolios;

(c) to review and approve periodically policies, guidelines and risk limits regarding the use of derivatives by the Company and its subsidiaries in connection with one or more of the Company's or its subsidiaries' investment portfolios;

(d) to monitor compliance with the policies, guidelines and risk limits regarding the use of derivatives by the Company and its subsidiaries in connection with one or more of the Company's or its subsidiaries' investment portfolios;

(e) to review and approve periodically any investment benchmarks or other measurement devices employed by the Company and its subsidiaries to monitor the performance of their investment portfolios;

(f) to monitor on an ongoing basis the performance of the Company's and its subsidiaries' investment advisers against the applicable investment benchmarks or other measurement devices employed by the Company to monitor the performance of its investment advisers;

(g) to review the adequacy of existing financing facilities, monitor the need for any additional financing and review and approve requests made by management for additional financing (including credit facilities, letter of credit facilities, commercial

paper facilities and public and private securities offerings);

(h) to monitor compliance by the Company with existing indebtedness covenants and review and evaluate all instances of non-compliance with indebtedness covenants;

(i) to monitor the evaluations of the Company's financial strength and credit ratings by the applicable rating agencies; and

(j) to perform such other responsibilities regarding the Company's and its subsidiaries' investment and financing activities or policies or other matters as the Board may from time to time assign the Committee.

## **V. INVESTIGATIONS, STUDIES AND USE OF OUTSIDE ADVISERS**

The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities, and may retain, at the Company's expense, such independent counsel or other advisers as it deems necessary for the proper performance of its responsibilities. The Company's Chief Financial Officer and Chief Investment Officer, with the approval of the Chief Executive Officer, and the Committee shall each have the authority to retain or terminate any consultant or advisor retained at the direction of the Committee or the Company's Chief Financial Officer or Chief Investment Officer to assist the Committee in carrying out its responsibilities, including authority to approve the fees or other compensation, and other retention terms, of such consultant or advisor, such fees or other compensation to be borne by the Company.

## **VI. EVALUATION OF THE COMMITTEE'S PERFORMANCE**

The Committee shall, on an annual basis, evaluate its performance under this Charter. In conducting this review, the Committee shall evaluate whether this Charter appropriately addresses the matters that are or should be within its scope. The Committee shall address all matters that the Committee considers relevant to its performance, including at least the following: the adequacy, appropriateness and quality of the information received by the Committee and presented by the Committee to the Board, and the adequacy of the Committee's deliberations regarding the matters reported to and acted upon by the Committee and of the deliberations of the Board regarding the matters reported to and recommended to the Board by the Committee. The Committee shall deliver to the Board a report setting forth the results of its evaluation, including any recommended amendments to this Charter and any recommended changes to the Company's or the Board's policies or procedures.