

Validus Holdings, Ltd.

Corporate Governance Guidelines

1. Director Qualifications

The Board will have a majority of directors who meet the criteria for independence required by the New York Stock Exchange. The Corporate Governance and Nominating Committee is responsible for reviewing with the Board, on an annual basis, the skills and characteristics appropriate for new Board candidates as well as an assessment of the skills and characteristics of the Board as a whole. This assessment will include consideration of the members' qualifications as independent, as well as consideration of other affiliations, diversity, skills, and experience in the context of the needs of the Board. Nominees for directorship will be selected by the Corporate Governance and Nominating Committee in accordance with the policies and principles in its charter. The invitation to join the Board should be extended by the Chairman of the Corporate Governance and Nominating Committee and the Chairman of the Board.

It is the sense of the Board that individual directors who change the responsibility they held when they were elected to the Board should volunteer to resign from the Board. It is not the sense of the Board that in every instance the directors who retire or change from the position they held when they came on the Board should necessarily leave the Board. Also, it is the sense of the Board that individual directors who are employed by or associated with institutions that own more than 5% of the Company's shares should volunteer to resign from the Board when these institutions reduce their ownership below 5%. There should, however, be an opportunity for the Board through the Corporate Governance and Nominating Committee to review the continued appropriateness of Board membership under these circumstances.

A director may serve on other public company boards without the consent of the Board as long as it does not interfere with the director's ability to discharge his duties to the Company, except as provided in the Audit Committee charter. Directors should advise the Chairman of the Board and the Chairman of the Corporate Governance and Nominating Committee in advance of accepting an invitation to serve on another company board whether public or private.

The Board does not believe it should establish term limits. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of directors who have been able to develop, over a period of time, increasing insight into the Company and its operations and, therefore, provide an increasing contribution to the Board as a whole. As an alternative to term limits, the Corporate Governance and Nominating Committee will review each director's continuation on the Board every three years. This will allow each director the opportunity to conveniently confirm his or her desire to continue as a member of the Board.

2. Director Responsibilities

The basic responsibility of the directors is to exercise their business judgment to act in a manner they reasonably believe to be in the best interests of the Company and its shareholders. In discharging that obligation, directors should be entitled to rely on the honesty and integrity of the Company's senior executives and its outside advisors and auditors. The directors may use other

outside advisors as they may deem appropriate. The directors shall also be entitled to have the Company purchase reasonable directors' and officers' liability insurance on their behalf, to the benefits of indemnification to the fullest extent permitted by law, the Company's Memorandum and Articles of Association and any indemnification agreements, and to exculpation as provided by applicable law and the Company's Memorandum and Articles of Association.

Directors are expected to attend Board meetings and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary to discharge their responsibilities. Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting should generally be distributed in writing to the directors before the meeting, and directors should review these materials in advance of the meeting.

The Chairman or his designee will establish the agenda for each Board meeting and review the agendas for each Board committee meeting. At the beginning of the year, the Chairman will establish a schedule of agenda subjects to be discussed during the year (to the degree that this can be foreseen). Each Board member is free to suggest the inclusion of items on the agenda. Each Board member is free to raise at any Board meeting subjects that are not on the agenda for that meeting.

The non-management directors will meet in executive session on a regular basis. If the Board has non-management directors who are not independent, the independent directors will meet in executive session at least once a year. The director who presides at these meetings will be designated by the non-management directors, and his (her) name will be disclosed in the annual proxy statement.

The Board believes that the management speaks for the Company. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company. But it is expected that Board members would do this with the knowledge of the management and, absent unusual circumstances or as contemplated by the committee charters, only at the request of management.

3. Board Committees

The Board will have at all times an Audit Committee, a Compensation Committee, and a Corporate Governance and Nominating Committee. The Board may also form other committees as it deems appropriate, including an Executive Committee, a Finance Committee and an Underwriting Committee. All of the members of the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee will be independent directors under the criteria established by the New York Stock Exchange, subject to the Exchange's transitional provisions. Committee members will be appointed by the Board upon the recommendation of the Corporate Governance and Nominating Committee with consideration of the desires of individual directors. It is the sense of the Board that consideration should be given to rotating committee assignments periodically, but the Board does not feel that rotation should be mandated as a policy.

Each committee will have its own charter. The charters will set forth the purposes, goals and responsibilities of the committees as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board. The charters will also provide that each committee will annually evaluate its performance.

The Chairman of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The Chairman of each committee, in consultation with the appropriate members of the committee, the Chairman of the Board and management, will develop the committee's agenda. At the beginning of the year each committee will establish a schedule of agenda subjects to be discussed during the year (to the degree that these can be foreseen). The schedule for each committee will be furnished to all directors. Each committee Chairman will keep the Chairman of the Board appropriately advised and consult on issues of importance.

The Chairman of the Board, the Board and each Board committee each has the power to hire independent legal, financial or other advisors as they may deem necessary to assist in the discharge of their respective duties under the Company's Memorandum and Articles of Association or committee charters, without consulting or obtaining the approval of any officer of the Company in advance. All related fees and costs of such advisors shall be paid promptly by the Company in accordance with normal business practices.

The Board may, from time to time, establish, maintain or abolish additional committees as necessary or appropriate.

4. Director Access to Officers and Employees

Directors have full and free access to officers and employees of the Company. Any meetings or contacts that a director wishes to initiate may be arranged through the Chairman or CEO. The directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and will, to the extent not inappropriate, copy the Chairman and the CEO on any written communications between a director and an officer or an employee of the Company.

The Board welcomes regular attendance at each Board meeting of executive officers of the Company.

5. Director Compensation

The form and amount of director compensation will be determined by the Corporate Governance and Nominating Committee in accordance with the policies and principles set forth in its charter, and the Corporate Governance and Nominating Committee will conduct an annual review of director compensation. The Corporate Governance and Nominating Committee will consider that directors' independence may be jeopardized if director compensation and perquisites exceed customary levels, if the Company makes substantial charitable contributions to organizations with which a director is affiliated, or if the Company enters into consulting contracts with (or provides

other indirect forms of compensation to) a director or an organization with which the director is affiliated.

6. Director Orientation and Continuing Education

New directors to the Board will be invited to attend a presentation by senior management to familiarize themselves with the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Code of Business Conduct and Ethics, its principal officers, and its auditors. All other directors are also invited to attend this orientation session. The Company encourages directors to attend continuing education programs.

7. CEO Evaluation and Management Succession

The Compensation Committee will conduct an annual review of the CEO's performance, as set forth in its charter. The Board of Directors will review the Compensation Committee's report in order to ensure that the CEO is providing the best leadership for the Company in the long and short term.

The Corporate Governance and Nominating Committee should make an annual report to the Board on succession planning. The entire Board will work with the Corporate Governance and Nominating Committee to nominate and evaluate potential successors to the CEO. The CEO should at all times make available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

8. Communications with the Board

Security holders of the Company and other interested parties may communicate with one or more of the directors (including any presiding director or the non-management directors as a group) by mail in care of the Corporate Secretary at the principal executive offices of the Company and should specify the intended recipient or recipients. All such communications, other than unsolicited solicitations or communications, will be forwarded to the appropriate director or directors for review.

9. Annual Performance Evaluation

The Board of Directors will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. The Corporate Governance and Nominating Committee will receive comments from all directors and report annually to the Board with an assessment of the Board's performance. This will be discussed with the full Board following the end of each fiscal year. The assessment will focus on the Board's contribution to the Company and specifically focus on areas in which the Board or management believes that the Board could improve.

10. Code of Business Conduct and Ethics

Each director is subject to the Company's Code of Business Conduct and Ethics.