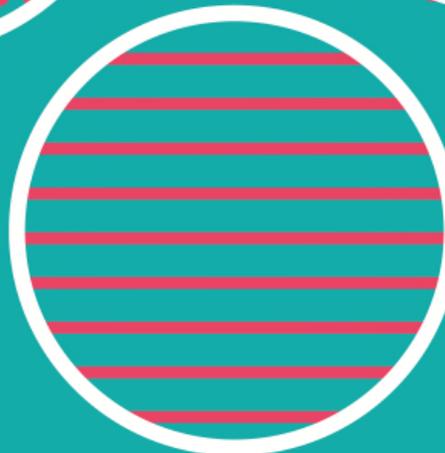
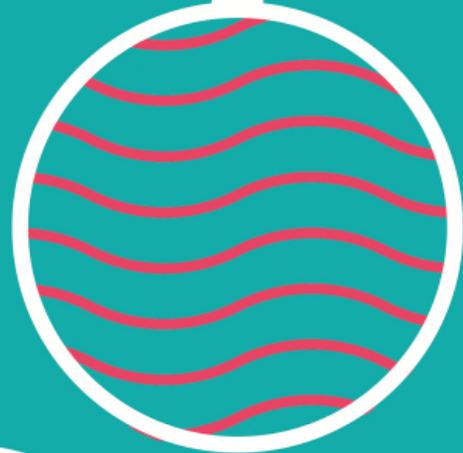
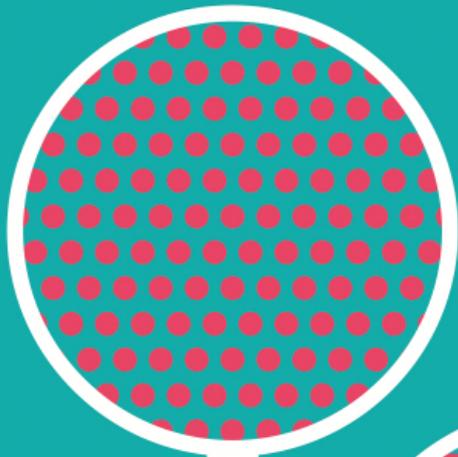


XL Group Ltd Compliance Policy and Program

December 2016



XL GROUP





XL GROUP LTD COMPLIANCE POLICY AND PROGRAM

I. POLICY OBJECTIVE

The purpose of this Compliance Policy and Program (the “Compliance Policy”) is to (a) protect XL Group Ltd companies from financial or reputational harm that could arise from non-compliant or unethical conduct; (b) assist to prevent, detect and remediate compliance failures or risks; and (c) seek to ensure that XL Group Ltd companies are in compliance with all applicable laws and regulations.

2. POLICY SCOPE

This Policy and Program applies to:

- XL Group Ltd;
- All XL Group Ltd subsidiary companies (one in which XL Group Ltd or another XL Group Ltd subsidiary company owns an interest in excess of 50% or is otherwise designated a controlled company by the Chief Compliance Officer (“CCO”)) (collectively “the Company” or “XL Catlin”); and
- All permanent and temporary employees, officers and directors except where the application of certain requirements to independent directors would be inappropriate. Such employees, officers and directors are collectively referred to herein as “Employees.”

Business partners acting on XL Catlin’s behalf including sub-contractors, Managing General Agents, coverholders, third party claims administrators, and underwriting managers shall be provided with the XL Catlin Code applicable to such third party agents (“Code for Representatives”) and shall be expected to apply similar standards of ethical and compliant conduct.

Company policy is to comply with all laws and regulations that apply in the countries where we do business. Certain laws of the U.S. or other jurisdictions may have extraterritorial application, including, but not limited to, the U.S. Foreign Corrupt Practices Act and, in some cases, U.S. trade sanctions. These may apply to, or affect, the Company’s activities overseas, and measures must be implemented to ensure awareness and compliance.

3. POLICY GOVERNANCE

3.1 Policy Owners

The Policy Owner is the Chief Compliance Officer (“CCO”).

3.2 Program Approval

The XL *Enterprise Risk Committee* (“ERC”), under delegated authority from the Audit Committee of the Board, is responsible for approval of this Compliance Policy.

This Policy has been adopted by the ERC under delegated authority from the Audit Committee. This delegation by the Audit Committee is for administrative purposes only and shall not in any way be construed as an abdication of any role or responsibility of the Board or any committee thereof, including without limitation, each director’s fiduciary duties and obligations as a director or responsibilities and obligations as a member of the Audit Committee under applicable law, regulation, or Audit Committee’s charter or any other Company policy.

3.3 Policy Review/Material Changes to Policy

This Policy will be reviewed at least annually, and the Policy Owner will be required to attest to policy adherence with material changes advised to the ERC for their approval. ERC shall agree if such changes require escalation.



3.4 Reporting/Escalation Process

Any material matters arising in relation to this Policy will be reported and escalated to the ERC who shall agree if any matters require further escalation.

4. NON COMPLIANCE

Employees who engage in conduct that violates the Code of Conduct, applicable laws or regulations and/or who fail to take reasonable steps to prevent or detect violations may be subject to one or more of the following: warnings, reprimands, probation, demotion, additional training, temporary suspension, discharge or other actions as may be deemed appropriate. The Company may report criminal activity or other unlawful activity to the appropriate authorities.

The Company will use measures to prevent the employment of any individual or the engagement of any consultant or agent to act on its behalf whom the Company knows, or should through reasonable diligence know, has engaged in illegal conduct or other conduct in violation of the law or the Code of Conduct.

5. OVERSIGHT, RESPONSIBILITIES & REPORTING

5.1 Board of Directors

The Audit Committee advises the Board, at least annually, or more frequently if appropriate, with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations and with the Code of Conduct. The Audit Committee shall also review at least annually, or more frequently if appropriate, with the CCO and the Corporate Compliance Director ("CCD"), compliance with the Code of Conduct, as well as the implementation and effectiveness and the administration, training, monitoring and auditing of this Compliance Policy. The Audit Committee also will discuss with the CCO, the General Counsel ("GC") and the independent auditor, as appropriate, any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Company's financial statements or accounting policies, or material compliance weaknesses or violations.

5.2 Chief Compliance Officer

The XL Group Ltd Chief Executive Officer, with the concurrence of the XL Group Ltd Audit Committee, shall appoint a senior level executive as CCO of the Company, who, in consultation with the GC, shall be responsible for formulation and implementation of an effective Compliance Program. The CCO will oversee the allocation of responsibilities for Code of Conduct and regulatory compliance across the Company and maintain a record of who is accountable, responsible, consulted and informed on specified matters.

The CCO shall communicate at his own initiative with any employee and shall have the necessary authority, resources and expertise to carry out his role including unrestricted access to all relevant and necessary Company information.

In order to ensure the independence of the CCO, and the integrity of the Compliance Program, the CCO shall report directly to the XL Group Ltd Audit Committee (the "Committee") on a periodic basis on matters relating to the Company's material compliance with applicable law and the Company's Code. The CCO will also report on regulatory compliance matters. The CCO shall promptly report any material compliance violation.

The CCO shall only be removed from his capacity as CCO with the concurrence of the Audit Committee. Further, any material changes to the CCO's authority or status shall be made with the concurrence of the Audit Committee.



The CCO and the CCD shall have authority to take actions and implement measures as necessary to ensure that the Compliance Program is kept up to date, is effective and that it is administered according to the procedures and requirements set forth herein.

5.3 Employee Responsibility

The Code of Conduct shall stress the importance of each Employee's responsibility for compliance with the Code and other applicable laws and regulations, and for acting in an ethical and responsible manner. Each manager shall encourage compliance by Employees within his or her unit or functional area, and managers shall consult with the CCO and the Compliance Team in meeting this responsibility.

5.4 Competency

The Compliance Team must have the necessary skills, competence and experience in order to fulfil their responsibilities. Such compliance related competencies include:

- **Commerciality** - understand the broader business environment, how it relates to the Company's business plans and how effective compliance can be achieved;
- **Accountability** - create objectives, deliver against promises, meet expectations;
- **Collaboration** - build effective relationships to help achieve individual, team, and Company level objectives; and
- **Flexibility** - to embrace change in an open and receptive manner.

In addition, specific role competencies and experience requirements will also apply.

6. CORE ELEMENTS OF THE COMPLIANCE PROGRAM

- A. Code of Conduct and Code Supplement
- B. Regulatory Compliance
- C. Annual Compliance Risk Assessment and Plan
- D. Prevention, Detection and Remediation
- E. Training & Communications
- F. Annual Acknowledgment
- G. Incident Reporting
- H. Incident Management
- I. Monitoring

6.1 Code of Conduct and Code Supplement

XL Group Ltd maintains a Code of Conduct that explains general standards of legal, ethical and compliant conduct (incorporating certain specific measures relating to Senior Financial Officers). The Code also explains procedures for reporting violations and the Company's Non-Retaliation policy. Material updates to or changes to the Code must be approved by the Board of Directors of XL Group Ltd. The Code is available on the Company intranet, as well as on the Company's public website.

The Code is accompanied by a Code Supplement that provides additional rules and guidance relating to certain aspects of the Code. The Code Supplement shall be made available to Employees on the company intranet along with other relevant compliance policies and bulletins.

The Company also maintains a Code for Representatives which applies to business partners acting on the Company's behalf including subcontractors, Managing Agents, coverholders, third party claims administrators, underwriting managers and other third parties, collectively "Representatives". The Code for Representatives is distributed to such representatives and is also available on the Company's public website.



6.2 Regulatory Compliance

Certain of the Company's subsidiaries are subject to insurance and/or reinsurance regulation and supervision in the jurisdictions where they are domiciled and licensed to conduct business. Generally, regulatory authorities can have broad supervisory and administrative powers over such matters as licenses, fitness of management, solvency requirements, material transactions between affiliates, premium rates, policy forms, investments, security deposits, methods of accounting, form and content of financial statements, reserves for unpaid losses and loss adjustment expenses, reinsurance, minimum capital and surplus requirements and/or risk based capital standards, dividends and other distributions to shareholders, periodic examinations and annual and other report filings. Each regulated entity has a designated Compliance Officer who ultimately reports to the CCO. Regulated entity compliance is also considered and reviewed by the entity's board of directors or a committee thereof.

6.3 Compliance Risk Assessment and Plan

The CCO shall be responsible for leading an annual group level assessment of compliance risks presented by the Company's business, operations and other activities. The risk assessment may be conducted in conjunction with Internal Audit and Enterprise Risk Management. The CCO may also request additional assessments of specific compliance risks by regulated entities. These activities will form the basis of an annual Compliance Plan (the "Compliance Plan"). Certain regulated entities may also implement risk assessment processes and compliance plans at an entity level.

The Compliance Plan and outcome of the risk assessment process will also be reviewed and discussed with Internal Audit, the Chief Enterprise Risk Officer, and the GC.

6.4 Prevention, Detection and Remediation

The CCO will ensure that there are appropriate procedures and controls to prevent and detect violations of the Code of Conduct, law, and applicable regulations, working with the GC as appropriate. The CCO will be consulted on all measures for remediating any such violations.

6.5 Training and Communications

The CCD will develop an overall compliance training program for all XL Catlin Employees in order to raise and reinforce awareness of the Code, and to prevent violations and non-compliance. In addition, communications will be issued periodically and as required to alert Employees or to highlight specific issues. Those responsible for regulatory compliance at entity level will also organize training to meet local regulatory requirements. Training may be conducted online or in person.

Mandatory online compliance training shall be provided to all Employees (subject to any local laws) on a selected topic or topics each year. Managers may be required to assist in the implementation of compliance training. Employee failure to comply with any training requirement may result in disciplinary action. The CCD shall annually report to the Audit Committee on completion rates and any exceptions.

On an annual basis the CCD shall conduct training for the Board of Directors of XL Group Ltd. Additionally, new Employees shall receive introductory training on the Code and Code Supplement as part of their orientation. All training shall be designed to maximize effectiveness and minimize operational disruption.

6.6 Annual Acknowledgement

The CCO shall ensure that, subject to local law, all Employees submit an Annual Acknowledgment confirming that the Employee is familiar with the Code and the Code Supplement and that the Employee has fully complied with the Code and the Code Supplement in the preceding 12 months other than for those violations, if any, previously reported or that are reported during this process. The CCO shall report on completion of this exercise to the Audit Committee on an annual basis.



6.7 Incident Reporting

The CCO shall communicate to Employees in writing procedures for reporting actual, suspected or proposed conduct believed to constitute a violation of the law, regulations, or the Code of Conduct or Code Supplement. Employees shall be provided with different options for reporting actual or suspected violations. This shall include a tool, administered by a third party, that receives online and telephone based reports for onward transmission to the CCO. This tool can be accessed through the Company intranet, or via the public website. Third parties may also submit reports in this manner. Subject to local law and custom, reports may be submitted anonymously. Any exceptions to the usual reporting procedure to reflect these laws or customs shall be provided to the impacted employees alongside the reporting tool.

Reports made using the electronic reporting tool or through any other channel shall be treated as “compliance incidents” until they are identified as substantiated violations, unsubstantiated allegations, or risk /control issues. These developments shall also be classified and reported on in accordance with the “Incident Receipt, Investigation and Reporting Protocol” in the Code Supplement.

6.8 Incident Management

The CCD shall maintain a diary system to record all compliance incidents and track them through to resolution. The CCD shall report any material violations of the law, regulation or Code to the Audit Committee. The CCO will report on any regulatory compliance matters.

All compliance incidents shall be investigated confidentially in accordance with a formal procedure and with all applicable laws and regulations, in consultation with the GC. Formal remediation plans shall be established for material violations or risk or control issues.

Employees must be advised that: a) the Company will not discharge, suspend, demote or take adverse employment action against an Employee who believes and communicates in good faith that a policy or practice is in violation of laws, rules, regulations or ethical standards simply because an Employee makes any such report, unless the Employee has been a willful participant in the wrongdoing or has allowed or encouraged the violation to occur or to continue; b) the Company encourages Employees to disclose their own violations of the law, regulation or company policy; and c) the Company will not promise in advance that Employees who report their own violation of any law, regulation or ethical standard will not be disciplined or otherwise dealt with by applicable authorities; however, the fact that an Employee disclosed his/her own violation will be treated by the Company as a mitigating factor.

7. MONITORING OF COMPLIANCE POLICY, ASSESSMENT & REPORTING

The CCO shall be responsible for overall implementation and evaluation of the Compliance Policy and shall report, at least annually, on its effectiveness to the XL Group Ltd Audit Committee.

The CCO and/or the CCD may ask Internal Audit to consider certain compliance issues as part of all routine audits, or to investigate a particular compliance incident if the need arises (subject to agreement with Head of Internal Audit and following consultation with the GC).

The CCD shall arrange periodic surveys of Employee perceptions of the Code and adherence to ethical and legal standards. In particular, Employee feedback on the annual training exercise should be sought and its effectiveness assessed accordingly.

The CCO and Head of Internal Audit shall meet regularly to discuss adherence to the Compliance Program, resolution of any incidents and remediation of any weaknesses or violations.



8. RELATED POLICIES AND PROCEDURES

- XL Group Ltd Audit Committee Charter
- XL Catlin Code of Conduct
- XL Catlin Code Supplement
- Code of Conduct (XL Catlin Representatives)
- Entity Level Compliance Policies
- Anti-Fraud Committee Charter
- XL Group Ltd Trade Sanctions Compliance Program