
OMEGA INSURANCE HOLDINGS LIMITED

**TERMS OF REFERENCE OF INVESTMENT
COMMITTEE**

As adopted on 16 September 2006, and amended by
Board Resolution on 14 September 2007, 22 May 2009 and 16 November 2010

Omega Insurance Holdings Limited
(the “Company”)

Investment Committee
Terms of Reference

On 6 September 2006, pursuant to the Bye-laws of the Company, the Board of Directors (the “**Board**”) resolved to establish an Investment Committee of the Board and other key employees (the “**Committee**”). These Terms of Reference were adopted by the Board on 16 September 2006, and amended by Board Resolution on 14 September 2007, 22 May 2009 and 16 November 2010.

1. Membership

- 1.1 The Committee shall comprise at least three members, at least two of whom shall be independent Non-Executive Directors. The Group Financial Director shall serve on the Committee. The Chairman of the Board and any other Executive Director may also serve on the Committee. Members of the Committee shall be appointed by the Board on the recommendation of the Nomination Committee.
- 1.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as other Directors, employees and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.
- 1.3 The Board shall appoint the Committee Chairman. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board.

2. Secretary

The Company Secretary or his or her nominee shall act as the Secretary of the Committee.

3. Quorum

The quorum necessary for the transaction of business shall be two. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee. No meeting of the Committee shall be quorate if the majority of the Directors present consists of persons who are personally resident in the UK for UK tax purposes unless the Board has previously resolved otherwise in respect of that particular meeting.

4. Meetings

The Committee shall meet at least four times a year and otherwise as required. No meeting of the Committee shall be held in the UK.

5. Notice of meetings

5.1 Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chairman.

5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other Non-Executive Directors, no later than five working days before the date of the meeting. Where practicable, supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time.

6. Minutes of meetings

6.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance. The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

6.2 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless it would be inappropriate to do so.

7. Annual General Meeting

The Committee Chairman should attend the Company's Annual General Meeting to answer any shareholder questions on the Committee's activities.

8. Duties

The Committee is responsible for doing all such things necessary for monitoring the management of the investments of the Group, but not its syndicate investments, including but not limited to:

8.1 recommending investment strategies, guidelines and policies in line with the risk appetite determined by the Boards of the Company and other members of the Group, for them to approve annually;

8.2 recommending the appointment of fund managers for all investments to the relevant Boards;

- 8.3 monitoring the performance of the investment strategies against set benchmarks;
- 8.4 monitoring cash flow and liquidity of the Company and the other members of the Group;
- 8.5 reviewing treasury policy of the Company;
- 8.6 receiving and reviewing reports on investment performance and reporting to the Board. These reports shall consist of the independent adviser's report and the investment manager's report; and
- 8.7 establishing and monitoring compliance with investment operating guidelines relating to custody of investments, internal control and accounting.

9. Reporting responsibilities

- 9.1 The Committee Chairman shall report to the Board on the Committee's proceedings after each meeting on all matters within its duties and responsibilities.
- 9.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 9.3 The Committee shall produce a report on its activities to be included in the Company's annual report.

10. Other matters

The Committee shall:

- 10.1 have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for assistance as required;
- 10.2 be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- 10.3 give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules and any other applicable rules, as appropriate; and
- 10.4 arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

11. Authority

The Committee is authorised by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference, subject to first informing the Board of its intention to do so.

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