

XL GROUP LTD
Form DEF 14A
April 05, 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A

(Rule 14a-101)

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

XL GROUP LTD

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

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(1) Title of each class of securities to which transaction applies:

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.

(3) Filing Party:

(4) Date Filed:

XL GROUP LTD

O'Hara House, One Bermudiana Road, Hamilton HM 08, Bermuda

NOTICE OF ANNUAL GENERAL MEETING OF HOLDERS OF COMMON
SHARES TO BE HELD ON FRIDAY, MAY 19, 2017

Hamilton, Bermuda

April 5, 2017

To the Holders of Common Shares of XL Group Ltd:

On behalf of the Board of Directors, I am pleased to invite you to attend XL Group Ltd's Annual General Meeting, to be held at its offices, located at O'Hara House, One Bermudiana Road, Hamilton HM 08, Bermuda, on Friday, May 19, 2017 at 8:30 a.m. local time.

Voting Matters

1. To elect a Board of eleven Directors for the coming year;
2. To provide an advisory vote approving the compensation of XL Group Ltd's named executive officers;
3. To provide an advisory vote on the frequency of future executive compensation votes; and
To appoint PricewaterhouseCoopers LLP to act as the independent auditor of XL Group Ltd for the year ending
4. December 31, 2017, and to authorize the Audit Committee of the Board of Directors to determine the compensation of PricewaterhouseCoopers LLP.

In addition to the foregoing, the Annual General Meeting will include the transaction of such other business as may properly come before the meeting or any adjournments thereof.

Record Date

You may vote if you were a shareholder at the close of business on March 6, 2017. For instructions on voting, please refer to the instructions on the enclosed proxy card.

By Order of The Board of Directors,

Kirstin Gould

Secretary

Important Notice Regarding the Availability of Proxy Materials for the 2017 Annual General Meeting of shareholders to be held on May 19, 2017. Our Proxy Statement for the 2017 Annual General Meeting of shareholders and the Annual Report on Form 10-K for the fiscal year ended December 31, 2016 are available at www.envisionreports.com/XL if you are a shareholder of record, and www.edocumentview.com/XL if you hold your common shares in "street name" through a bank, broker, trustee, custodian or other nominee (which we generally refer to as "brokers" or "nominees"), or are a holder of depositary interests representing common shares ("DIs") held through the Depositary, Computershare Investor Services PLC ("Computershare UK").

Your vote is important regardless of the number of shares you own. Whether or not you plan to attend the 2017 Annual General Meeting of shareholders, please vote as promptly as possible.

If you hold common shares through your broker or nominee, you may vote by telephone, through the Internet or by requesting a paper proxy card to complete, sign and return by mail. Proxies submitted by the Internet or telephone must be received by 11:59 p.m., Eastern Time, on May 18, 2017.

If you are a registered shareholder, you may vote your common shares either by submitting a completed proxy card or by voting in person at the Annual General Meeting. If you wish to complete a proxy card, please mark, date, sign and return the accompanying proxy card in the enclosed, postage-paid envelope as promptly as possible, or appoint a proxy to vote your shares by using the Internet. To be valid, the proxy card must be received at Georgeson, P.O. Box 5178, New York, NY 10124 by 5:00 p.m., Eastern Time, on May 18, 2017. By submitting your proxy card, you are legally authorizing another person to vote your common shares by proxy in accordance with your instructions. You may appoint any person as your proxy and it is not a requirement that this person be a shareholder of XL Group Ltd. If you are a holder of DIs held through Computershare UK, you should follow the instructions you receive from Computershare UK (if you hold such DIs directly) or from your broker or nominee. Please note that you may be required to submit voting instructions to Computershare UK, if appropriate, or your applicable broker or nominee prior to the deadline noted above, and you should therefore follow any separate instructions you receive.

Proof of ownership of common shares as of the record date, as well as a form of personal photo identification, must be presented to be admitted to the Annual General Meeting. If you hold your common shares in the name of a broker or nominee, or if you hold DIs through Computershare UK, and you plan to attend the annual general meeting, examples of proof of ownership include a bank or brokerage account statement or a letter from your broker or nominee. In addition, you may not vote your common shares in person at the meeting unless you obtain a letter of instruction from Computershare UK (if you hold DIs directly) or the broker or nominee that holds your common shares or DIs. You will need to follow the instructions of Computershare UK, if appropriate, or your broker or nominee in order to obtain a letter of instruction.

If you have any questions about the meetings or require assistance, please call Georgeson LLC, our proxy solicitor, at (888) 658-3624 (toll-free within the United States) or at (781) 575-2137 (outside the United States). If you own DIs and have questions about the meetings or require assistance, please email Nina Atkinson of Georgeson - London at nina.atkinson@georgeson.com.

Table of Contents	
<u>Letter from our Independent Chairman</u>	<u>iii</u>
<u>Letter from our CEO</u>	<u>iv</u>
<u>Executive Summary</u>	<u>1</u>
<u>2017 Annual Meeting Information</u>	<u>1</u>
<u>Matters to be Voted on at our 2017 Annual General Meeting</u>	<u>1</u>
<u>Performance Highlights</u>	<u>1</u>
<u>Compensation Highlights</u>	<u>2</u>
<u>Corporate Governance Highlights</u>	<u>5</u>
<u>Corporate Governance</u>	<u>7</u>
<u>Item 1. Election of Directors</u>	<u>7</u>
<u>2017 Director Nominees</u>	<u>8</u>
<u>Structure of our Board and Governance Practices</u>	<u>14</u>
<u>Committees</u>	<u>14</u>
<u>Leadership Structure</u>	<u>16</u>
<u>Director Independence</u>	<u>17</u>
<u>Board Diversity</u>	<u>18</u>
<u>Director Orientation and Continuing Education</u>	<u>18</u>
<u>Director Nomination Process and Board Refreshment</u>	<u>18</u>
<u>Board and Committee Evaluations</u>	<u>19</u>
<u>Key Areas of Board Oversight</u>	<u>20</u>
<u>Shareholder Engagement</u>	<u>23</u>
<u>Sustainability and Corporate Social Responsibility</u>	<u>24</u>
<u>Communications with Members of the Board and its Committees</u>	<u>25</u>
<u>Code of Conduct</u>	<u>25</u>
<u>Director Compensation</u>	<u>26</u>
<u>Executive Compensation</u>	<u>29</u>
<u>Compensation Discussion and Analysis</u>	<u>29</u>
<u>Introduction</u>	<u>29</u>
<u>Benchmarking Compensation</u>	<u>36</u>
<u>Executive Compensation Components</u>	<u>37</u>
<u>Governance and the Determination of Executive Pay</u>	<u>50</u>
<u>Executive Share Ownership and Retention Requirements</u>	<u>51</u>
<u>Policies on Hedging or Pledging of Company Securities</u>	<u>51</u>

<u>NEO Employment Agreements</u>	<u>52</u>
<u>Compensation Clawback Policy</u>	<u>52</u>
<u>Section 162(m)</u>	<u>52</u>
<u>Management Development and Compensation Committee Report</u>	<u>53</u>
<u>Compensation Committee Interlocks and Insider Participation</u>	<u>53</u>
<u>Summary Compensation Table</u>	<u>54</u>
<u>Grants of Plan-Based Awards Table</u>	<u>56</u>
<u>Outstanding Equity Awards at Fiscal Year End</u>	<u>59</u>
<u>Option Exercises and Stock Vested</u>	<u>60</u>
<u>Pension Benefits</u>	<u>60</u>
<u>Non-Qualified Deferred Compensation</u>	<u>60</u>
<u>Employment and Other Agreements with NEOs</u>	<u>61</u>
<u>Potential Payments Upon Termination of Change in Control</u>	<u>63</u>
<u>Item 2. Advisory Vote Approving Compensation of Named Executive Officers ("Say on Pay")</u>	<u>69</u>
<u>Item 3. Advisory Vote on the Frequency of Future Executive Compensation Votes ("Say on Frequency")</u>	<u>70</u>
<u>Audit Matters</u>	<u>71</u>
<u>Audit Committee Report</u>	<u>71</u>
<u>Fees Paid to Auditors</u>	<u>72</u>
<u>Item 4. Appointment of the Independent Auditor and Authorization of the Audit Committee to Determine the Compensation of the Independent Auditor</u>	<u>73</u>
<u>Security Ownership of Certain Beneficial Owners, Management and Directors</u>	<u>75</u>
<u>Section 16(a) Beneficial Ownership Reporting</u>	<u>77</u>
<u>Compliance</u>	<u>77</u>
<u>Related Person Transactions</u>	<u>77</u>
	<u>78</u>

<u>Shareholder Proposals for 2018</u>	
<u>Annual General Meeting</u>	
<u>Other Matters</u>	<u>78</u>
<u>Frequently Asked Questions</u>	<u>80</u>
<u>Appendix: Glossary of Key</u>	
<u>Financial Metrics Used in</u>	
<u>Discussions of Compensation</u>	<u>A - 1</u>
<u>and Reconciliation of</u>	
<u>Non-GAAP Financial Measures</u>	

Letter from our Independent Chairman

Dear Fellow Shareholders,

We welcome you to attend the 2017 Annual General Meeting of XL Group Ltd to be held at 8:30 a.m. local time on Friday, May 19, 2017 at our offices in Hamilton, Bermuda. Even if you do not plan to attend the meeting in person, we hope your vote will be represented. Your vote is important to us.

Over the last several months, to supplement the ongoing dialogue we maintain with shareholders, we conducted shareholder outreach to solicit your perspectives on governance and compensation matters that are top of mind for you. I participated in many of these discussions, and the Board and I found the insights and priorities you shared to be valuable. We appreciate the time spent by those participating in the process and look forward to continuing our open dialogue in the future.

During our engagement sessions, many shareholders expressed a desire for more information on topics such as the Board's role in strategy development and implementation, the link between our strategy, performance and compensation programs, board refreshment, and corporate social responsibility. Based on this feedback, and in addition to enhancing our disclosure on these and other topics important to you, our shareholders, you will see that we have redesigned our proxy statement this year to more clearly communicate the important information it contains. We hope this redesign makes it easier for you to find and understand the information presented about our corporate governance practices and compensation programs.

The Board remains focused on overseeing management's execution and implementation of our strategy. We are also committed to continuing to prioritize good corporate governance practices. Our strong practices include robust board refreshment, with three new directors appointed in the last three years, continued enhancement of the alignment between our performance and executive compensation and company-wide sustainability programs, especially as it relates to climate change.

Additionally, regarding the Board membership, two of our Directors, Stephen Catlin and Suzanne Labarge, have decided not to stand for re-election at the 2017 Annual General Meeting. We have benefited enormously from Stephen's vision and voice during the last two years. From the acquisition of Catlin to today, he's been instrumental to the success of our integration and to the creation of the potential that we see in front of us. At the same time, Suzanne has provided valued advice to the Board and management over the past five years, and we are deeply grateful for her contributions and commitment to XL. On behalf of the Board, I want to thank Stephen and Suzanne for their service and we wish them well in all future endeavors.

Thank you for your continued support of XL, its management and its Board. Again, your vote is important and we look forward to your participation in our Annual General Meeting.

Eugene M. McQuade

Chairman of the Board of Directors

Letter from our CEO

Dear Fellow Shareholders,

2016 was a challenging year. The headwinds that have defined the property and casualty ("P&C") markets in recent years persisted, and it was a tough catastrophe year throughout, particularly in the 4th quarter. At the same time, as the year developed, our underlying strengths continued to emerge and we finished 2016 feeling very good about our positioning.

Throughout the year, two fundamentals for our success proved to be true: first, in tough markets our underwriters produced growth while maintaining quality. For example, we grew premium in both insurance and reinsurance and at the same time improved our core underwriting metrics. Excluding the impact of natural catastrophes and the benefit of prior year development, our 2016 P&C combined ratio of 90.7% and loss ratio of 58.7% were some of the best annual results XL has produced in more than ten years. Second, our dedication to client service never wavered and we ended 2016 with noticeable recognition: Number 1 on Advisen's Pacesetter Index for product innovation, first across nearly ever metric of the Gracechurch survey of the London Market, and Highest in Customer Satisfaction among Large Commercial Insurers by the J.D. Power 2016 Large Commercial Insurance Study.

In addition, several fundamental steps were taken in the year that should benefit the Company into the future. These include driving down our operating expenses, designing and launching a realigned P&C operating model and, following the 2015 acquisition of Catlin Group Limited that resulted in a greater operating presence in Bermuda, redomesticating the holding company from Ireland to Bermuda.

Since 2010, XL's strategy has been to relentlessly create an operating environment and culture attractive to the best talent in our industry combined with an understanding of how technology enables our people to have superior insight, a lower cost base of operations, and the ability to innovate solutions and business models to keep up with the rapidly mutating risks of our clients. This is the strategy that led to the turnaround of our results from 2011 to 2014. It also led to our 2014 sale/retrocession of our life reinsurance business, allowing us to focus on our core P&C underwriting, and it guided our 2015 Catlin acquisition and now substantially completed integration.

Through the Catlin acquisition, we have a company with greater scale with P&C gross premiums written growing from \$7.8 billion in 2014 to \$13.6 billion in 2016. We are now a top 3 competitor across several businesses including numerous higher margin specialty lines such as Aerospace, Crisis Management, Marine, and Political Risk. We are the largest syndicate at Lloyd's. Our greater scale creates new relevance with brokers, resulting in greater submission flow and better risk opportunities to select from. Our Reinsurance business is within the top 10 globally. And, as demonstrated in 2016, our greater scale and product diversity enables a greater capacity to absorb large losses while maintaining profitability.

Thus in XL Catlin, we have created a global leader in complex and specialty insurance risk underwriting and reinsurance. It is a vastly more efficient company, with both the innovation leadership our clients expect and the ability to imagine new business models necessary to our sector's future.

Our strategy is designed to yield distinction across both client service and financial performance. With the recognition noted earlier, clearly our clients are experiencing what we intend. While this is pleasing, there is no success if our shareholders do not experience the same excellence.

We believe our value proposition is now better understood in the marketplace. It's how we were able to achieve growth in a tough 2016 while maintaining underwriting discipline. And now, for us, 2017 is all about delivering fully on what we have built.

On behalf of our Leadership Team, our Board of Directors, and each of our colleagues across the world, I appreciate your support of XL.

Best,

Michael McGavick
Chief Executive Officer

v

EXECUTIVE SUMMARY

This summary highlights certain information from our Proxy Statement for the 2017 Annual General Meeting. You should read the entire Proxy Statement carefully before voting.

2017 Annual Meeting Information

Date May 19,
2017

Time 8:30 a.m.,
local time
XL Group
Ltd ("XL" or
the
"Company")
offices
located at:

Place O'Hara
House, One
Bermudiana
Road,
Hamilton
HM 08,
Bermuda

Record Date March 6,
2017

Matters to be Voted on at our 2017 Annual General Meeting
Board Recommendation Page

Item	
1. Election of For Directors	<u>7</u>
Item	
2. Advisory Vote Approving Compensation of For Named Executive Officers ("Say on Pay")	<u>69</u>
Item	
3. Advisory Vote on the Frequency of Future	<u>70</u>

Executive
 Compensation
 Votes
 ("Say
 on
 Frequency")
 Item
 4. Appointment
 of
 the
 Independent
 Auditor
 and
 Authorization
 of
 the
 For
 Audit
 Committee

73

to
 determine
 the
 Compensation
 of
 the
 Independent
 Auditor

Performance Highlights

2016 was a challenging year. Global property and casualty ("P&C") insurance and reinsurance ("re)insurance") market conditions, particularly pricing, remained challenging, requiring even greater underwriting discipline and focus on pursuing business that is consistent with our underwriting standards. Results, including profitability and return on average common shareholders' equity ("ROE") measures, were impacted by a significant number of natural catastrophe losses. The Company under-performed against its combined ratio ("CR") target, delivering an overall ("Enterprise") CR of 94.2% versus a goal of 92.0%. CR, a common and recognized indicator of performance in our industry, is the sum of losses and loss expenses, acquisition expenses and operating expenses divided by the net premiums earned by the Company. A CR of less than 100% indicates an underwriting profit; a CR greater than 100% reflects an underwriting loss. Both ROE of 3.9% for the year and Operating ROE excluding Catlin Group Limited ("Catlin") Integration Expenses¹ of 5.9% were below plan, and we and our shareholders were disappointed with the performance of our share price. At the same time, our underlying strengths continued to emerge. Positive highlights included:

P&C gross premiums written of \$13.6 billion, a 28% increase over the \$10.7 billion achieved in 2015 and a 4.9% increase when adjusted for full year Catlin results in 2015 and removing the effect of foreign exchange.

The 2016 P&C accident year loss ratio and CR (which excludes prior year development ("PYD")) when adjusted to exclude the impact of natural catastrophe losses were 58.7% and 90.7%, respectively. Natural catastrophe losses are excluded to allow comparability of results without distortions coming from high severity, low frequency events. This is an indication of the quality of our current year business and these results for 2016 were some of our best in over 10 years.

(1) Operating ROE excluding Catlin Integration Expenses is a non-GAAP financial measure. See the [Appendix](#) to this Proxy Statement for the definition and further discussion of this measure as well as for a reconciliation of GAAP ROE to Operating ROE excluding Catlin Integration Expenses.

Reinsurance continued to deliver strong results, achieving a CR of 88.4% for 2016 and recording \$3.98 billion in gross premiums written, a 75% increase over the \$2.3 billion written during 2015. Including full year Catlin results for 2015 and removing the effect of foreign exchange, gross premiums written increased 13.6%.

Insurance ended 2016 with \$9.7 billion in gross premiums written compared to \$8.4 billion written in 2015, a 15% increase, and achieved a CR of 96.9%, consistent with the 96.9% recorded for 2015. Including full year Catlin results for 2015 and removing the effect of foreign exchange, gross premiums written increased 1.6%.

Fully diluted book value per share increased to \$40.33, a 3.8% increase over the \$38.87 reported as of December 31, 2015, and fully diluted tangible book value per share² increased by 2.2% to \$32.21 as of December 31, 2016, from \$31.52 as of December 31, 2015.

The underwriting expense ratio decreased by 1.6 percentage points from 2015 due to further efficiencies through expense savings. Including full year Catlin results for 2015, the underwriting expense ratio declined 2.6 percentage points. The Company also launched a continuous improvement program to further institutionalize these efforts. And throughout this challenging year, our dedication to client service and product innovation continued. By the end of 2016, these efforts were recognized in several ways:

• No. 1 for industry product innovation - Advisen's Pacesetter Index

• Highest in Customer Satisfaction Among Large Commercial Insurers - J.D. Power 2016 Large Commercial Insurance Study

• Top Performer in the London market across nearly all metrics - Gracechurch Survey

Compensation Highlights

Below are highlights of our compensation program. Please review [Executive Compensation](#) in its entirety for a complete understanding of our compensation program.

2016 Named Executive Officers ("NEOs")

Michael McGavick - Chief Executive Officer

Peter Porrino - Executive Vice President, Chief Financial Officer*

Stephen Catlin - Executive Deputy Chairman*

Paul Brand - Executive Vice President, Chief Executive of Insurance Operations*

Gregory Hendrick - Executive Vice President, Chief Executive of Reinsurance Operations*

* Titles as of December 31, 2016. As previously announced, effective January 1, 2017 Mr. Brand became the Chairman of XL's new internal innovation team, Accelerate, and Mr. Hendrick assumed the role of President, Property & Casualty. Effective May 1, 2017, Mr. Porrino will retire from his position as CFO, after which he will continue with the Company on a part-time basis as an advisor to the CEO. Effective May 15, 2017, Mr. Catlin will transition from his role as Executive Deputy Chairman to act as a special advisor to the CEO through year end 2017.

Summary of

2016

Compensation

Decisions

In reaching its decisions regarding compensation for 2016, the Management Development and Compensation Committee ("Compensation Committee") determined CR, relative growth in book value per share and Adjusted ROE³ to be appropriate performance measures for our incentive compensation programs.

(2) Fully diluted book value per share is a non-GAAP financial measure. See the [Appendix](#) to this Proxy Statement for a reconciliation of fully diluted book value per share to fully diluted tangible book value per share.

(3) Adjusted ROE, which refers to the ROE-based performance measures used by the Compensation Committee, represents non-GAAP financial measures that are based on Operating ROE, also a non-GAAP financial measure. Refer to the [Appendix](#) for the definitions of Operating ROE and Adjusted ROE and financial reconciliations of GAAP ROE to Operating ROE and Adjusted ROE.

The following table summarizes our Compensation Committee's 2016 compensation decisions for our NEOs. See the discussion in Executive Compensation - Compensation Discussion and Analysis for a complete description of these decisions.

Compensation Program Decisions

2016 Annual Incentive Plan	<p>The quantitative results for the Enterprise and Insurance Segment, as measured by CR, were worse than plan and were reflected in funding that was below target. The Reinsurance Segment CR was better than plan and resulted in funding that was above target. In spite of each NEO achieving or exceeding the vast majority of their qualitative goals, the Committee determined that no NEO would receive a qualitative rating that was at or above target in light of the overall Enterprise results that were below target and shareholder returns that were disappointing.</p> <p>The Compensation Committee determined to grant a mix of long-term incentive awards to the NEOs in the form of 50% Performance Units ("PUs") and 50% stock options for 2016, similar to the past several years.</p>
2016 Long-term Incentive Awards	<p>Performance metrics for the 2016 PUs are 2016 PU ROE (as defined in the Appendix) and relative growth in book value per share, similar to the metrics used in programs prior to 2015. Goals associated with these metrics are based on our operating plan and focus executive leadership on executing XL's business strategy. Performance is measured from 2016 through 2018.</p> <p>The Committee certified the performance achieved for the 2014 PUs at 55% of the target units granted. Performance metrics for the 2014 PUs included 2014 PU ROE (as defined in the Appendix) and relative growth in stock price to book value per share vs. peers over the performance period from 2014 through 2016.</p> <p>Over the 3 year performance period our growth in stock price to book value per share was below the threshold performance level, resulting in no payout for 50% of the award. Average 2014 PU ROE over the period resulted in a payout factor of 110% of target for the remaining 50% of the award. As shown in the chart to the right, this resulted in only 55% of the target 2014 PUs initially granted being earned.</p> <p>Adjusted ROE results in 2016 that were below target impacted the payout of the 2014 PUs and also will impact the results of the 2016 PUs as the plans have overlapping performance cycles.</p>
Payout of 2014 PU Awards	

2016 Named Executive Officer Compensation

In light of Enterprise performance that was below targeted goals set at the beginning of the year, no NEO received an annual incentive above target. In addition, the Compensation Committee used negative discretion in determining the final awards for Messrs. McGavick, Porrino and Catlin.

Pay and
Performance
Alignment

Our compensation program is designed to ensure strong alignment between executive pay and Company and individual performance guided by the following principles:

- Ensure alignment with shareholder interests and reward executives for enhancing long-term shareholder value
- Consider multiple factors in setting target levels of compensation, including an executive's role and responsibilities, performance, experience, expertise and competitor compensation information
 - Allocate total compensation between annual base salary, annual cash incentive and long-term incentive awards so that it is heavily weighted towards performance-based pay
- Enable the attraction and retention of high caliber executive talent who will develop and implement our business strategies successfully
- Include qualitative components and risk mitigating features to drive appropriate behaviors

Strong
Governance
Practices

Our executive compensation practices incorporate strong corporate governance features that include:

- Oversight of compensation and benefit programs by a Committee of independent Directors
- Use of an independent executive compensation consulting firm that reports directly to the Committee and provides no other services to the Company
- Annual evaluation of potential risks associated with compensation plans, policies and practices
- Caps on annual incentive awards
- Grants of performance-contingent equity awards that require meeting established goals in order to receive an award
- Significant XL share ownership requirements and the retention of 100% of shares earned from equity awards (net of taxes) for one year following vesting
- Formal shareholder engagement program covering strategy, governance and compensation practices
- No repricing or cash buy-outs of underwater stock options
- A double-trigger change-in-control provision in equity awards granted after January 1, 2015 that provides for accelerated vesting only if the executive is also terminated following a change-in-control
- Prohibition against hedging and restrictions on pledging XL shares
- No excise tax gross-ups for any NEO
- Executive participation in the same benefit programs as all other employees
- Compensation clawback policy to recoup cash and equity awards from executives who engage in willful misconduct that results in a financial restatement

Michael McGavick,
59
Chief Executive
Officer

Clayton Rose, 58	December 2009	President, Bowdoin College	Yes	Compensation Risk and Finance
Anne Stevens, 68	April 2014	Former Executive Vice President and Chief Operating Officer of the Americas, Ford Motor Co.	Yes	Compensation Risk and Finance
Sir John Vereker, 72	November 2007	Former Governor and Commander-in-Chief of Bermuda	Yes	Audit Governance Risk and Finance

5

As previously announced, Stephen Catlin and Suzanne Labarge have decided not to stand for re-election at our 2017 Annual General Meeting. In light of Ms. Labarge's decision not to stand for re-election, Dale Comey was appointed to serve as Interim Chair of our Nominating, Governance and External Affairs Committee ("Governance Committee") from December 2016 until our 2017 Annual General Meeting. Our Board expects to appoint a Director to assume the role of Governance Committee Chair in May 2017.

Governance
Practices and
Shareholder
Engagement

Annual Board and committee evaluations that regularly incorporate peer evaluation of individual Directors' performance

Shareholders holding at least 10% of our outstanding shares of common stock can call a special meeting

Independent Chairman leads our Board

Board oversight of sustainability and corporate social responsibility matters

Annual elections of all Directors

Majority voting for Director elections

Mandatory Director orientation and formal continuing education program

Regular executive sessions of independent Directors

Directors have full access to all officers and employees, and may engage independent advisors at their sole discretion

Director and executive share ownership requirements, prohibitions against hedging and restrictions against pledging

Comprehensive Board refreshment process that assesses the diversity of viewpoints, skills, experience and other demographics represented on our Board

Year-round shareholder engagement process, enhanced during 2016 to involve our independent Chairman in conversations with shareholders regarding key governance and compensation matters

CORPORATE GOVERNANCE

Our Board and management have a strong commitment to effective corporate governance. We have in place a comprehensive corporate governance framework for our operations, which, among other things, takes into account the requirements of the Sarbanes-Oxley Act of 2002, the U.S. Securities and Exchange Commission (the "SEC") and the New York Stock Exchange (the "NYSE").

ITEM 1. Election of Directors

Proposal Summary - Election of Directors

The election to our Board of 11

What's being voted on: Director nominees to hold office until 2018
Your Board unanimously recommends that

Board Recommendation: shareholders vote "FOR" each of the Director nominees

Our Directors

The Board believes that each Director nominee contributes a strong background and set of skills to enable the Board to meet its oversight responsibilities on behalf of our shareholders.

Snapshot of 2017 Director Nominees

Our 11 Director nominees bring a wide variety of relevant skills and experience to the boardroom and possess an effective mix of diversity, experience and viewpoints.

Biographical information about our Director nominees, all of whom are current Directors, follows. Please See [Frequently Asked Questions](#) for information on the vote required for election of Directors and the choices available for casting your vote. The persons designated as proxies will vote FOR the election of each of the nominees, unless otherwise directed. All of the nominees have consented to serve if elected, but if anyone becomes unavailable to serve, the persons named as proxies may exercise their discretion to vote for a substitute nominee.

2017 Director Nominees

Ramani Ayer

Age: 69

Director Since:
February 2011

Committees:
Audit

Compensation (Chair)
Risk and Finance

Career Highlights

- Chairman of the board of directors and Chief Executive Officer, The Hartford Financial Services Group Inc. (“The Hartford”), a (re)insurance company (February 1997 - October 2009)

Other Professional and Leadership Experience

- Current member, and former Chairman, of the board of the Hartford Healthcare Corporation
- Vice Chairman of the Connecticut Council for Education Reform
- Former Chairman of the American Insurance Association, the Property & Casualty CEO Roundtable and the Insurance Services Office
- Former Chairman of the Hartford Hospital
- Former member of the board of Maharishi University of Management

Key Qualifications

During his 36-year career with The Hartford, Mr. Ayer held progressively senior roles. Mr. Ayer's long tenure as the Chairman of the board and CEO of The Hartford, during which time he built the company into a recognized leader in P&C insurance, provides him a wealth of experience with respect to the varied and complex issues that confront large (re)insurers, such as the Company, and makes him well suited to serve as the Chairman of the Compensation Committee. In particular, Mr. Ayer's vast knowledge and experience in the P&C space complement the expertise of our other Directors and benefits us as we continue to build on our solid foundation, global platform and depth of underwriting talent.

Career Highlights

- Executive Vice President, ITT Corporation (1990 - 1996), responsible for directing operations of several ITT business units, including ITT Hartford and ITT Financial Corporation
- President of ITT Hartford's Property & Casualty Insurance Business (1988 - 1990)

Other Professional and Leadership Experience

- Former Director, St. Francis Hospital and Medical Center, Hartford Connecticut
- Former Alternate Lead Director, XL Capital Ltd Board of Directors

Age: 75

Director Since:

November 2001

Committees:

Audit

Governance (Interim Chair)

Risk and Finance

Key

Qualifications

Mr. Comey brings an actuarial background and extensive operational and business leadership skills to the Board. Through his experience serving in various senior leadership positions with ITT Corporation, he has first-hand knowledge of the varied and complex financial, operational and governance issues that confront large (re)insurers, such as the Company. This experience makes him well-suited to serve as a Director of the Company. In addition, Mr. Comey's experience gained from serving as a director of a non-profit institution adds to the depth and breadth of his knowledge of operations, strategy and good governance practices.

Claus-Michael Dill

Career Highlights

- Chief Executive Officer, Damp Holding AG, a hospital group (January 2006 - December 2008)
- Chief Executive Officer, AXA Konzern AG, a (re)insurer (April 1999 to September 2005), responsible for operations in Germany and Central Europe, and member of the AXA Group Executive Committee
- Chief Financial Officer and Group Management Board Member, Gerling Konzern AG, a (re)insurer (February 1995 to April 1999), responsible for asset management/financials and strategic restructuring

Other Professional and Leadership Experience

- Prior chief executive officer and chief financial officer positions at Vereinte Insurance AG and other Swiss Re Group companies
- Supervisory Board Member, MLP AG
- Vice Chairman of the Supervisory Boards of HUK Coburg VaaG, HUK Coburg Holding AG and HUK Coburg Insurance AG
- Former Supervisory Board Member and Chairman, General Reinsurance AG

Age: 63

Director Since:
August 2015

Committees:
Audit

Governance

Risk and Finance

Key

Qualifications

Mr. Dill's career in the insurance and reinsurance industries, spanning more than 30 years, includes experience serving as a chief executive officer, chief financial officer, and executive and non-executive director, among other management positions. He also possesses broad international experience, having worked across Europe, the United States, and Australasia. This combination of industry experience and geographic breadth makes Mr. Dill well-qualified to serve as a Director of our Board.

Robert R. Glauber

Age: 77

Director Since:
September 2006

Committees:
Governance

Risk and Finance (Chair)

Other U.S. Listed Public Company Directorships

Current: Northeast Bancorp

Past Five years: Moody's Corp.

Career Highlights

- Chief Executive Officer, National Association of Securities Dealers (now FINRA), the private-sector regulator of the US securities markets (2000 to 2006), and

Chairman (2001 to 2006)

- Under Secretary of the Treasury for Finance (1989 to 1992)

- Harvard University, Harvard Business School Professor of Finance (1964 to 1989), Kennedy School Lecturer (1992 to 2000; 2007 to Present) and Harvard Law School Visiting Professor (2007 and 2009)

Other Professional and Leadership Experience

- Executive Director of the Task Force ("Brady Commission") appointed by President Reagan to report on the October 1987 stock market crash

- Former independent Chairman of the Board, XL Group plc

- Chairman of the Board of Directors, Northeast Bancorp

- Director, Pioneer Global Asset Management S.p.A. (Milan)

- Senior Advisor, Peter J. Solomon Co. (November 2006 to Present)

- Former Director of Moody's Corp, Federal Home Loan

Mortgage Corp.
("Freddie Mac"), a
number of Dreyfus
mutual funds, the
Korean Financial
Service's
International
Advisory Board
and the Investment
Company Institute
• Former Vice
Chairman of the
Trustees,
International
Accounting
Standards Board
• Former President
of the Metropolitan
Opera Club,
Overseer of the
Boston Symphony
Orchestra and
Executive
Committee member
of the Metropolitan
Opera Guild
Key Qualifications
Mr. Glauber's
strong management
background in both
the public and
private sectors, and
his expertise in
financial services
regulation, public
policy and
corporate
governance provide
him the
consensus-building
and leadership
skills necessary to
serve as a Director
and the Chair of our
Risk and Finance
Committee. In
addition, Mr.
Glauber's variety of
experience serving
as a current or
former director of

several large
financial companies
adds to the depth
and range of his
contribution to the
Board.

Edward J. Kelly, III

Age: 63

Director Since:

August 2014

Committees:

Audit

Compensation

Risk and Finance

Other U.S. Listed Public Company Directorships:

Current: CSX Corp., Metlife, Inc.

Career Highlights

- Various executive leadership positions at Citigroup, Inc., a financial services corporation, including Chairman, Institutional Clients Group (January 2011 to July 2014), Chairman, Global Banking (April 2010 - January 2011), Vice Chairman (July 2009 - March 2010), Chief Financial Officer (March 2009 - July 2009), Head of Global Banking (September 2008 - March 2009), President and Chief Executive Officer, Citi Alternative Investments (March 2008 - August 2008) and President, Citi Alternative Investments (February 2008 - March 2008)

- Managing Director, The Carlyle Group, an asset management firm (June 2007 - January 2008)

- Chairman, CEO and President (March 2003 - March 2007) and President and CEO (March 2001 - March 2003), Mercantile Bankshares Corporation, a financial services corporation, and Vice Chairman, PNC Financial Services Group, following its acquisition of Mercantile (March 2007 - June 2007)

- Various executive leadership positions at J.P. Morgan & Co. (and its predecessor company J.P. Morgan & Co. Incorporated), a financial services corporation (1994 – 2001), including General Counsel and Managing Director and Head of Global Financial Institutions

Other Professional and Leadership Experience

- Partner, Davis Polk & Wardwell LLP, a law firm

- Director, CSX Corp (July 2002 - Present), currently serving as non-executive Chairman

- Director, Metlife, Inc. (February 2015 - Present)

- Member, Board of Directors, Focused Ultrasound Foundation, a non-profit entity (June 2015 – Present)

- Former Director of The Hartford, Axis Capital Holdings Ltd. and Paris RE Holdings, among others

Key

Qualifications

Mr. Kelly brings deep knowledge of the financial services industry and a unique perspective to the Company, particularly in the areas of capital management and strategic execution, as a result of his more than 25 years of operating, regulatory and investment experience in the financial services industry. This unique perspective, combined with his knowledge gained from serving as a current or past director of public corporations with global operations, provides him with a wealth of experience to draw from in his oversight role as a Director of the Company.

Joseph Mauriello

Career Highlights

Age: 72

Director Since:
January 2006

Committees:

Audit (Chair)

Governance

Risk and Finance

Other U.S. Listed Public Company Directorships:

- Numerous leadership positions during his 40 year career at accounting firm KPMG, including Deputy Chairman and Chief Operating Officer and a Director of KPMG LLP (United States) and KPMG Americas Region (2004 - 2005) and Vice Chairman of Financial Services (2002 - 2004)
- Other Professional and Leadership Experience
- Trustee, Fidelity Funds (July 2007 - Present)
- Member of the Board of Overseers, Peter J. Tobin School of Business at St. John's University (January 2015 - Present), and Member Emeritus of the Board of Overseers, School of Risk Management, Insurance and Actuarial Science of the Peter J. Tobin College of Business at St. John's University
- Trustee, St. Barnabas Medical Center (2003 - Present) and RWJ Barnabas Health Care System (2008 - Present)
- Director, Lupus Research Alliance (2006 - Present)
- Former Director, Arcadia Resources, Inc.
- Certified Public Accountant (Retired) in New York and Member of the American Institute of Certified Public Accountants

Key

Qualifications

Mr. Mauriello's significant experience in the independent public accounting and financial services industries, including a 40-year tenure in senior positions with the leading international accounting firm of KPMG, makes him well-qualified to serve in his current position as Chair of the Audit Committee. He has in-depth familiarity with financial accounting practices and reporting responsibilities, including those unique to property, casualty and specialty insurance and reinsurance companies. In addition, the Board benefits from Mr. Mauriello's breadth of experience serving, or previously serving, on the boards of directors of other entities that have, or control other entities that have, publicly traded securities.