

CHARTER OF THE FINANCE COMMITTEE

This Finance Committee charter has been adopted by the Board of Directors (the “Board”) of Validus Holdings, Ltd. (the “Company”).

A. Finance Committee Purpose

The purpose of the Finance Committee shall be to oversee the finance function of the Company, including the investment of funds and financing facilities.

B. Finance Committee Duties and Responsibilities

In furtherance of this purpose, the Committee shall have the following duties and responsibilities:

1. Approve the appointment of the Company’s investment managers and the terms of reference and fees to be paid to the investment managers.
2. Approve the investment policies and guidelines established by the Company and approve any amendments to the investment guidelines.
3. Approve and ensure procedures are in place to monitor adherence to the Company’s investment policies and guidelines. Review and evaluate all instances of non-compliance.
4. Review and evaluate the performance of the investment managers in conjunction with the benchmarks established. Recommend any changes required with respect to the appointment of investment managers.
5. Meet with the Company’s investment managers to discuss their performance and outlook for their investment portfolio.
6. Approve the Company’s strategic asset allocation plan relating to equity, alternative and other investments. Ensure all investments made by the Company are in accordance with the plan.
7. Review the adequacy of existing financing facilities. Monitor the need for any additional financing. Review and approve requests made by the Company for additional financing, including credit facilities, letter of credit facilities, commercial paper facilities and public and private debt offerings.
8. Monitor compliance with debt facility covenants. Review and evaluate all instances of non-compliance.
9. Monitor the status of rating agency evaluations and discussions.
10. Approve the appointment of the Company’s public relations firm and review the Company’s external communications.

C. Outside Advisors

The Committee shall have access to and authority to retain independent advisors, including legal counsel, external auditors and financial advisors, if and when it deems necessary to perform its duties. The Committee may retain these advisors without seeking Board approval and may approve related fees and retention terms. The Committee will notify the Board of such actions and provide updates to the Board as appropriate.

D. Membership

The Committee shall consist of no fewer than three (3) directors, as determined by the Board. A majority of the members of the Committee shall be non-management directors. Each Committee member shall have education or experience relating to finance and investment matters. The Committee members shall be appointed annually by a majority vote of the Board on the recommendation of the Corporate Governance and Nominating Committee. The Committee members may be removed, with or without cause, by a majority vote of the Board.

E. Chairman

The Committee shall include a Committee chairman. The Committee chairman shall be appointed by a majority vote of the Board. The Committee chairman shall be entitled to chair all regular sessions of the Committee and cast a vote to resolve any ties.

F. Meetings

The Committee shall meet at least one (1) time per quarter or more frequently as circumstances dictate. All Committee members shall strive to be present at all Committee meetings.

The Committee chairman may call a Committee meeting upon due notice to each other Committee member at least twenty-four (24) hours prior to the meeting. A majority of Committee members, acting in person or by duly authorized representative, shall constitute a quorum. The Committee shall act by majority vote. The Committee meetings shall follow a set agenda established by the Committee chairman in consultation with the Chairman of the Board. The Committee shall be responsible for maintaining minutes and other applicable records of each Committee meeting. The Committee shall report its actions and recommendations to the Board after each Committee meeting.