

## **Finance and Risk Oversight Committee Charter for Syncora Holdings Ltd.**

*As adopted by the Board of Directors on December 11, 2014*

### **Purpose**

The Finance and Risk Oversight Committee (the “Committee”) oversees the responsibilities of the Board of Director's (the “Board”) relating to the financial affairs of Syncora Holdings Ltd. and, except to the extent overseen at a subsidiary, its consolidated subsidiaries (collectively the “Company”) and recommends to the Board the adoption of the annual business plan and related financial plan, financial policies, debt and equity issuances, dividends, acquisitions and dispositions of business segments and subsidiaries, joint ventures, major new business initiatives, strategic investments and overall investment policy, including review of investment manager selection, benchmarks and investment performance.

The Committee also oversees the Board’s responsibilities in establishing the Company’s risk tolerance and oversees the proposals for establishment and implementation of standards, controls, limits, guidelines and policies relating to risk assessment and risk management, focusing on both (a) the underwriting and surveillance of credit risks and (b) the assessment and management of other risks, including financial, legal and operational risks as well as other risks concerning the Company’s reputation and ethical standards.

The Committee shall have the authority to retain independent financial and other advisors as it determines to be necessary to carry out its duties. The Company will provide for the appropriate funding, as determined by the Committee, for payment of compensation of any advisors employed by the Committee.

### **Committee Membership**

The Committee shall consist of no fewer than three members, each of whom shall have knowledge or experience relating to corporate, financial, risk management or other general business matters.

The members of the Committee shall be appointed by the Board on the recommendation of the Nominating & Governance Committee. Committee members may be removed by the Board at any time if necessary or appropriate.

### **Meetings**

The Committee shall meet as often as it or the Board determines but at least twice a year. The affirmative vote of a majority of the members participating in any meeting of the Committee is necessary for the adoption of any resolution. For action requested by written consent, a response from a majority of the members of the Committee is necessary with all such responses being in the affirmative. Members may participate in any meeting of the Committee by means of a conference call or similar communication arrangement by means of which all persons participating in the meeting can hear and speak with each other. The Committee shall maintain minutes of any Committee meeting.

## **Committee Authority and Responsibilities**

### **Financial Matters**

The Committee shall:

1. Establish and recommend to the Board financial policies for the Company, including, but not limited to, those relating to asset-liability structure and leverage.
2. Review and make recommendations to the Board on all capital-related issues, including:
  - a. Capital Planning and Allocation
  - b. Long-Term Debt Issuances
  - c. Common and Preferred Equity Issuances
  - d. Stock and Debt Redemptions or Buybacks.
3. Review and make recommendations to the Board on all significant credit, letter of credit and other financing facilities.
4. Review the annual business plan and related financial plan of the Company and advise the Board as to its adoption.
5. Review and recommend to the Board dividend policy and declarations.
6. Review and recommend to the Board all significant acquisitions, as well as disposals of business segments or subsidiaries, and joint ventures.
7. Review and recommend to the Board strategic equity investments.
8. Review all major new business initiatives, especially those requiring a significant capital allocation.
9. Review and recommend to the Board overall investment policy, including asset allocation, and review investment manager selection, benchmarks and investment performance, including credit exposures, policies and guidelines.
10. Review and recommend to the Board authorization levels for (a) capital expenditure and investments (including all items under paragraphs 6 and 7 hereof) and (b) other material transactions entered into by the Company and the various business units (including all items under paragraphs 2 and 3 hereof).

### **Risk Oversight Matters**

The Committee shall:

11. Have the authority to review and approve limits based on management recommendations regarding the Company's underwriting process and controls.
12. Have the authority to review the Company's overall portfolio of risk and management's processes for monitoring and controlling such exposures.

13. Receive reports and recommendations from the Company's management relating to significant risk management matters, and make recommendations to the Board with regard thereto.
14. Have the authority to request management to perform analysis of certain risks as the Committee may require and to request management to impose certain limits, controls and procedures as approved by the Committee or the Board.
15. Have oversight responsibility for the Company's enterprise risk management program, recognizing that certain elements of the program will rest with other committees of the Company (for example, the review and of internal controls relating to the creation of the Company's financial statements is the responsibility of the Audit Committee) or the full Board (for example executive level succession planning and strategic business risk).
16. Have the following responsibilities on behalf of the Company:
  - a. Review and make recommendations to the Board with respect to significant changes in general underwriting policy of the Company as a whole or of its significant subsidiaries, including, the risk management aspects of proposals to introduce new product lines outside the scope of existing businesses.
  - b. Review the Company's policies to govern the process for assessing and managing credit risk, market risk, interest rate risk, investment risk, operational risk, liquidity risk, reputation risk and other material risks that may emerge in the future.
  - c. Receive and review reports from management of the steps taken to monitor and control identified risks.
  - d. Monitor risk-based capital adequacy measures and trends over time.
  - e. Review developments and issues with respect to reserves and surveillance of closely monitored credits.
  - f. Review with the Company's counsel legal and regulatory matters insofar as they relate to risk management matters.

### **General Matters**

The Committee shall:

17. Have authority to select, retain and terminate any legal counsel or other advisor to the Committee to be used to assist in discharging its responsibilities and shall be directly responsible for the appointment, compensation and oversight of any work of such advisor.
18. Review and recommend to the Board on matters pertaining to the Company's various insurance programs and structures (other than the Company's directors' and officers' liability insurance which review is under the purview of the Nominating and Governance Committee).

19. Form and delegate authority to subcommittees as the Committee considers appropriate.
20. Undertake and review with the Board an annual performance evaluation of the Committee, which shall compare the performance of the Committee with the requirements of this Charter. The Committee shall conduct such performance evaluation in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by any member of the Committee designated to make this report.
21. Review and reassess the adequacy of this charter annually and recommend any proposed changes to the Nominating & Governance Committee and ultimately to the Board for approval.