Allied World Assurance Co Holdings, AG
Form PRE 14A
February 29, 2016

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

SCHEDULE 14A

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

Filed by the Registrant o

Filed by a Party other than the Registrant o

Check the appropriate box:

ý Preliminary Proxy Statement

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

o Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material under §240.14a-12

ALLIED WORLD ASSURANCE COMPANY HOLDINGS, AG

(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):

ý No fee required.

o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(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):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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ALLIED WORLD ASSURANCE COMPANY HOLDINGS, AG

NOTICE OF 2016
ANNUAL SHAREHOLDER MEETING

March 10, 2016

DATE: **Tuesday, April 19, 2016**
TIME: **2:00 p.m., local time**
PLACE: **Corporate headquarters: Park Tower, 15th floor, Gubelstrasse 24, 6300 Zug, Switzerland**
ITEMS OF BUSINESS:

Elect the board of directors.

Elect the Chairman of the board of directors.

Elect the Compensation Committee members.

Elect the independent proxy.

Approve the 2016 compensation for executives as required under Swiss law.

Approve the 2016 compensation for directors as required under Swiss law.

Approve, on an advisory basis, 2015 executive compensation as required under U.S. securities laws.

Approve the 2015 Annual Report and financial statements.

Approve the retention of disposable profits.

Approve the payment of dividends to shareholders.

Approve the cancelling of treasury shares.

Approve a new share repurchase program.

Amend the Articles of Association relating to authorized share capital for general purposes.

Elect Deloitte & Touche LLP as independent auditor and Deloitte AG as statutory auditor.

Elect PricewaterhouseCoopers AG as special auditor.

Discharge of the board of directors and executive officers from liabilities for their actions during the year ended December 31, 2015.

Transact any further business that lawfully may be brought before the meeting.

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RECORD DATE:	Only shareholders of record holding common shares, as shown on our transfer books, as of the close of business on March 2, 2016 are entitled to vote at the Annual Shareholder Meeting.
MATERIALS TO REVIEW:	This document contains our Notice of 2016 Annual Shareholder Meeting and Proxy Statement. Our 2015 Annual Report accompanies this Proxy Statement but is not a part of our proxy solicitation materials.
PROXY VOTING:	It is important that your shares be represented and voted at the Annual Shareholder Meeting. Please promptly sign, date and return the enclosed proxy card in the return envelope furnished for that purpose whether or not you plan to attend the meeting. If you later desire to revoke your proxy for any reason, you may do so in the manner described in the attached proxy statement.

By Order of the Board of Directors,

Theodore Neos
Corporate Secretary

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PROXY STATEMENT SUMMARY

Allied World 2015 Highlights

Although the market environment for insurers and reinsurers was more challenging than in years past, we continued to develop as a global specialty insurer with a broad range of product offerings and an ability to manage volatility and capital to drive profitability. In North America, we further increased scale and penetration in our specialty casualty and property lines. We also made progress in expanding our Global Markets Insurance segment in Asia with acquisitions in Hong Kong and Singapore, and in integrating and upgrading the infrastructure in the region to better position these operations.

In 2015, we generated net income of $83.9 million and our year-end diluted book value per share was $37.78, a 1.3% decrease for the year, as Allied World was impacted by increasingly competitive underwriting conditions and investment volatility. Our combined ratio was 95.1% and underwriting performance benefitted from profitable growth across our insurance and reinsurance businesses. Favorable reserve releases of $81.6 million, total return on the company's investment portfolio of $54.4 million and successful management of expenses combined to contribute to our performance.

Financial Performance

The following table contains key financial data for each of the last three fiscal years, including data as of each year end.

Operating Results	**2015**	**2014**	**2013**
	($ in millions, except share, per share and percentage data)		
Total Assets	$ 13,512	$ 12,419	$ 11,942
Total Debt and Other Liabilities	$ 9,979	$ 8,641	$ 8,423
Total Shareholders' Equity	$ 3,533	$ 3,778	$ 3,520
Diluted Book Value per Share	$ 37.78	$ 38.27	$ 34.20
(Decrease)/Increase in Diluted Book Value per Share	(1.3)%	11.9%	10.8%
Gross Premiums Written	$ 3,093	$ 2,935	$ 2,739
Net Income	$ 84	$ 490	$ 418
Operating Income	$ 212	$ 415	$ 364
Total Return on Investments	0.6%	3.1%	2.6%
Net Income Return on Average Shareholders' Equity	2.3%	13.4%	12.2%
Operating Return on Average Shareholders' Equity	5.8%	11.4%	10.6%
Combined Ratio[(1)]	95.1%	85.2%	86.2%
Cash Dividends Paid	$ 114	$ 77	$ 47

Number of Common Shares Outstanding	90,959,635	96,195,482	100,253,646
Weighted Average Common Shares Outstanding - Diluted	94,174,460	99,591,773	104,865,834
Repurchase of Common Shares	$ 245	$ 175	$ 175

(1) A measure of underwriting performance. The combined ratio represents the total cost per $100 of earned premium. A combined ratio below 100% demonstrates underwriting profit while a combined ratio above 100% demonstrates underwriting loss.

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Detailed information of our financial and operational performance is contained in our Annual Report on Form 10-K that is included in our 2015 Annual Report accompanying this Proxy Statement. See our Annual Report on Form 10-K for a reconciliation of the non-GAAP financial measures included in the table above.

Company's Performance Relative to Its Peer Group as of December 31, 2015 (In quartiles. 1=first quartile, the highest level; 4=fourth quartile, the lowest level)

Performance Metric	2015 (one year) Rank	2013-2015 (three year) Rank	2011-2015 (five year) Rank
Diluted Book Value per Share Growth (adjusted for dividends)	4	2	1
Annualized Net Income Return on Average Equity (adjusted for other comprehensive income)	4	2	2
Combined Ratio	4	2	2
Total Shareholder Return	4	4	2

Shareholder Voting Recommendations

Our Board of Directors unanimously makes the following recommendations:

	Proposal	Vote Recommendation	See Page Number for More Information
Proposal 1	Elect the Board of Directors	**FOR EACH NOMINEE**	p. 13
Proposal 2	Elect the Chairman of the Board of Directors	**FOR**	p. 24
Proposal 3	Elect the Compensation Committee Members	**FOR EACH NOMINEE**	p. 24
Proposal 4	Elect the Independent Proxy	**FOR**	p. 25
Proposal 5	Approve the 2016 Compensation for Executives as Required Under Swiss Law	**FOR**	p. 25
Proposal 6	Approve the 2016 Compensation for Directors as Required Under Swiss Law	**FOR**	p. 27
Proposal 7	Advisory Vote on 2015 Executive Compensation as Required Under U.S. Securities Laws	**FOR**	p. 28
Proposal 8	Approve the 2015 Annual Report and Financial Statements	**FOR**	p. 29
Proposal 9	Approve the Retention of Disposable Profits	**FOR**	p. 30
Proposal	Approve the Payment of Dividends to Shareholders	**FOR**	p. 30

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Proposal 11	Approve the Cancelling of Treasury Shares	**FOR**	p. 32
Proposal 12	Approve a New Share Repurchase Program	**FOR**	p. 33
Proposal 13	Amend the Articles of Association Relating to Authorized Share Capital for General Purposes	**FOR**	p. 34
Proposal 14	Elect Deloitte & Touche LLP as Independent Auditor and Deloitte AG as Statutory Auditor	**FOR**	p. 35
Proposal 15	Elect PricewaterhouseCoopers AG as Special Auditor	**FOR**	p. 36
Proposal 16	Discharge of the Board of Directors and Executive Officers from Liabilities	**FOR**	p. 37

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Corporate Governance Highlights

The company is committed to strong corporate governance, which promotes the long-term interests of shareholders, strengthens the accountability of the board of directors (the "Board") and management and helps build public trust in the company. Highlights include the following:

Board and Other Governance Information	**2016**
Size of Board	9
Average Age of Directors	62.8
Percentage of Independent Directors	89%
Diverse Board (Gender, Experience and Skills)	Yes
Majority Voting for Directors	Yes
Annual Election of All Directors	Yes
Annual Election of Chairman of the Board	Yes
Annual Election of Compensation Committee Members	Yes
Use of Independent Proxy to Represent Shareholders	Yes
No Director Holds More than 3 Other Public Company Board Seats	Yes
Lead Independent Director	Yes
Separate Chairman and CEO	No
CEO Holds No Other Public Company Board Seat	Yes
Independent Directors Meet Without Management	Yes
Annual Board and Committees Self-Evaluations	Yes
Annual Equity Grant to Non-Employee Directors	Yes
Board Orientation/Education Program	Yes
Number of Board Meetings Held in 2015	5
Code of Business Conduct and Ethics for Directors and Executives	Yes
Stock Ownership Policy for Directors and Senior Management	Yes
Disclosure Committee for Financial Reporting	Yes

Annual Approval of Executive Compensation	Yes
Shareholder Ability to Call Special Meetings	Yes
Policy Prohibiting Insider Pledging or Hedging of Company Common Shares	Yes

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Our Director Nominees

You are being asked to vote on the election of the following eight directors to the Board. All directors are elected annually by a majority of the votes cast. Detailed information about each director's background and key attributes, experience and skills can be found beginning on page 13 of this Proxy Statement.

						Committees					
Name	**Age**	**Director Since**	**Primary Occupation**	**Principal Skills**	**Independent**	**AC**	**CC**	**ERC**	**Exec**	**IC**	**N&CG**
Barbara T. Alexander	67	2009	Independent Consultant	Corporate Finance, Investment, Strategic Planning	Yes	C	•	•		•	
Scott Carmilani	51	2003	President, CEO and Chairman *Allied World Assurance Company Holdings, AG*	Insurance and Reinsurance Industry Leadership	No				C		
Bart Friedman	71	2006	Partner *Cahill Gordon Reindel LLP*	Investment, Corporate Governance	Lead Independent Director		•			•	C
Patricia L. Guinn	61	2015	Former Managing Director *Towers Watson*	Insurance and Reinsurance, Risk Management	Yes	•		•			•
Fiona E. Luck	58	2015	Former Senior Executive *XL Group plc*	Insurance and Reinsurance, Corporate Finance	Yes		•	•	•		
Patrick de Saint-Aignan	67	2008	Former Advisory Director *Morgan Stanley*	Corporate Finance, Risk Management, Investment	Yes	•	•	C		•	
Eric S. Schwartz	53	2013	CEO and Founder *76 West Holdings*	Corporate Finance, Investment	Yes		•			C	
Samuel J. Weinhoff	65	2006	Independent Consultant	Corporate Finance, Insurance and Reinsurance, Strategic Planning	Yes	•	C	•	•	•	•

C	Chair		
AC	Audit Committee	**Exec**	Executive Committee
CC	Compensation Committee	**IC**	Investment Committee
ERC	Enterprise Risk Committee	**N&CG**	Nominating & Corporate Governance Committee

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Executive Compensation Philosophy and Goals

The Compensation Committee believes that an effective executive compensation program is one that is designed to:

- Reward strong company and individual performance,
- Align the interests of the executive officers with the company's shareholders, and
- Balance the objectives of pay-for-performance and retention.

The Compensation Committee's objectives for the company's compensation programs are to:

- Drive and reward employee performance that supports the company's business objectives and financial success;
- Attract and retain talented and highly-skilled employees;
- Align the interests of the named executive officers with the company's shareholders by:
  - having a **substantial portion of compensation in long-term, performance-based equity awards**, a large portion of which is "**at risk**" with vesting dependent on the **company achieving certain performance targets over time**, particularly at the senior officer level where such persons can more directly affect the company's financial success;
  - regularly evaluating the company's compensation programs to help ensure that they do not encourage excessive risk taking; and
  - tying incentive opportunity to a **blend of metrics** that focus on key company objectives, correlate with the creation of shareholder value and encourage prudent risk taking; and
- Remain competitive with other insurance and reinsurance companies, particularly other insurance and reinsurance companies with which the company competes for talent.

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PROXY STATEMENT

GENERAL MEETING INFORMATION

Q: Why am I receiving these materials?

A: You are receiving these materials because you are a shareholder of Allied World Assurance Company Holdings, AG as of the Record Date (as defined below). The Board is soliciting the enclosed proxy to be voted at the 2016 Annual General Meeting of the company's shareholders to be held at 2:00 p.m., local time, on Tuesday, April 19, 2016 at the company's corporate headquarters, Park Tower, 15th floor, Gubelstrasse 24, 6300 Zug, Switzerland (the "Annual Shareholder Meeting"). This Proxy Statement summarizes the information you need to know to vote at the Annual Shareholder Meeting.

When the enclosed proxy card is properly executed and returned, the company's registered voting shares (the "common shares") it represents will be voted, subject to any direction to the contrary, at the Annual Shareholder Meeting **FOR** the matters specified in the Notice of Annual Shareholder Meeting attached hereto and described more fully herein.

This Proxy Statement, the attached Notice of Annual Shareholder Meeting and the enclosed proxy card are being first mailed to shareholders on or about March 10, 2016. A copy of the company's Annual Report to Shareholders for the fiscal year ended December 31, 2015 accompanies this Proxy Statement. The Annual Report contains the company's audited consolidated financial statements and its audited Swiss statutory financial statements prepared in accordance with Swiss law for the year ended December 31, 2015 as well as additional disclosures required under Swiss law.

Although the Annual Report and this Proxy Statement are being mailed together, the Annual Report is not part of this Proxy Statement.

Except as the context otherwise requires, references in this Proxy Statement to "we," "us," "our" and the "company" refer to Allied World Assurance Company Holdings, AG and its direct and indirect subsidiaries on a consolidated basis. Also, in this Proxy Statement, "$" and "USD" refer to U.S. dollars, "CHF" refers to Swiss francs and "local time" means the time in Switzerland.

Q: Who is entitled to vote?

A: The Board has set March 2, 2016, as the record date for the Annual Shareholder Meeting (the "Record Date"). Holders of our common shares as of the close of business on the Record Date will be entitled to vote at the Annual Shareholder Meeting. As of March 2, 2016, there were outstanding [ ] common shares.

Beneficial owners of our common shares and shareholders registered in our share register with common shares at the close of business on the Record Date are entitled to vote at the Annual Shareholder Meeting. Shareholders not registered in our share register as of the Record Date will not be entitled to attend, vote or grant proxies to vote at the Annual Shareholder Meeting. No shareholder will be entered in our share register as a shareholder with voting rights between the close of business on the Record Date and the opening of business on the day following the Annual Shareholder Meeting. Continental Stock Transfer & Trust Company, as transfer agent, which maintains our share register, will, however, continue to register transfers of our registered shares in the share register

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in its capacity as transfer agent during this period.

Q: **What is the difference between holding shares as a shareholder of record and as a beneficial owner?**

A: Most of our shareholders hold their shares through a bank, brokerage firm or other nominee rather than directly in their own name. As summarized below, there are some differences between shares held of record and those owned beneficially.

Shareholder of Record

If your common shares are registered directly in your name, as registered shares entitled to voting rights, in our share register operated by our transfer agent, Continental Stock Transfer & Trust Company, you are considered, with respect to those shares, the shareholder of record and these proxy materials are being sent to you directly by us. As the shareholder of record, you have the right to grant your voting proxy directly to the independent proxy mentioned in the proxy card (see "How do I appoint and vote via an independent proxy if I am a shareholder of record?" below), grant your voting proxy to any other person (who does not need to be a shareholder) or vote in person at the Annual Shareholder Meeting.

Beneficial Owner

If your common shares are held by a bank, brokerage firm or other nominee, you are considered the beneficial owner of shares held in street name, and these proxy materials are being forwarded to you by your bank, brokerage firm or other nominee who is considered, with respect to those shares,

the shareholder of record. As the beneficial owner, you have the right to direct your bank, broker or other nominee on how to vote your common shares and are also invited to attend the Annual Shareholder Meeting. However, since you are not the shareholder of record, you may only vote these common shares in person at the Annual Shareholder Meeting if you follow the instructions described below under the heading "How do I vote?" Your bank, brokerage firm or other nominee has enclosed a voting instruction card for you to use in directing your bank, broker or other nominee as to how to vote your common shares, which may contain instructions for voting by telephone or electronically.

Q: **How many votes are required to transact business at the Annual Shareholder Meeting?**

A: A quorum is required to transact business at the Annual Shareholder Meeting. Without giving effect to the limitation on voting rights described below, the quorum required at the Annual Shareholder Meeting is two or more persons present in person and representing in person or by proxy throughout the meeting more than 50% of the total issued and outstanding common shares registered in our share register.

Q: **What will I be voting on, what vote is required and how will abstentions and "broker non-votes" be counted?**

A: The following chart describes the proposals to be considered at the meeting, the vote required to adopt each proposal and the manner in which the votes will be counted:

Proposal	Vote Required	Effect of Abstentions	Effect of "Broker Non-Votes"

1	Elect the Board of Directors	Majority of votes cast	Vote not counted	Vote not counted
2	Elect the Chairman of the Board of Directors	Majority of votes cast	Vote not counted	Vote not counted
3	Elect the Compensation Committee Members	Majority of votes cast	Vote not counted	Vote not counted

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	Proposal	Vote Required	Effect of Abstentions	Effect of "Broker Non-Votes"
4	Elect the Independent Proxy	Majority of votes cast	Vote not counted	Vote not counted
5	Approve the 2016 Compensation for Executives as Required Under Swiss Law	Majority of votes cast	Vote not counted	Vote not counted
6	Approve the 2016 Compensation for Directors as Required Under Swiss Law	Majority of votes cast	Vote not counted	Vote not counted
7	Advisory Vote on 2015 Executive Compensation as Required Under U.S. Securities Laws	Majority of votes cast	Vote not counted	Vote not counted
8	Approve the 2015 Annual Report and Financial Statements	Majority of votes cast	Vote not counted	Brokers have discretion to vote
9	Approve the Retention of Disposable Profits	Majority of votes cast	Vote not counted	Brokers have discretion to vote
10	Approve the Payment of Dividends to Shareholders	Majority of votes cast	Vote not counted	Brokers have discretion to vote
11	Approve the Cancelling of Treasury Shares	Majority of votes cast	Vote not counted	Brokers have discretion to vote
12	Approve a New Share Repurchase Program	Majority of votes cast	Vote not counted	Vote not counted
13	Amend the Articles of Association Relating to Authorized Share Capital for General Purposes	2/3 of votes cast	Vote against	Vote not counted
14	Elect Deloitte & Touche LLP as Independent Auditor and Deloitte AG as Statutory Auditor	Majority of votes cast	Vote not counted	Brokers have discretion to vote
15	Elect PricewaterhouseCoopers AG as Special Auditor	Majority of votes cast	Vote not counted	Brokers have discretion to vote
16	Discharge of the Board of Directors and Executive Officers from Liabilities	Majority of votes cast	Vote not counted	Vote not counted

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- Abstentions and "broker non-votes" will be counted toward the presence of a quorum at the Annual Shareholder Meeting.
- "Broker non-votes" are shares held by banks or brokers for which voting instructions have not been received from the beneficial owners or the persons entitled to vote those shares and for which the bank or broker does not have discretionary voting power under rules applicable to broker-dealers. If you own shares through a bank or brokerage firm and you do not instruct your bank or broker how to vote, your bank or broker will nevertheless have discretion to vote your shares on "routine" matters, such as the election of Deloitte & Touche LLP, our independent auditors. More importantly, without instructions from you, your bank or broker will not have discretion to vote on "non-routine" matters, such as the election of directors, the votes on executive compensation, the payment of the dividend to our shareholders and any shareholder proposals.

Q: How does the voting take place at the Annual Shareholder Meeting?

A: A vote will be taken on all matters properly brought before the Annual Shareholder Meeting. Each shareholder present who elects to vote in person and each person holding a valid proxy is entitled to one vote for each common share owned or represented.

Q: How many votes do I have?

A: Holders of our common shares are entitled to one vote per share on each matter to be voted upon by the shareholders at the Annual Shareholder Meeting, unless you own Controlled Shares that constitute 10% or more of the issued common shares, in which case your voting rights with respect to those Controlled Shares will be limited, in the aggregate, to a voting power of approximately 10% pursuant to a formula specified in Article 14 of our Articles of Association. Our Articles of Association define "Controlled Shares" generally to include all shares of the company directly, indirectly or constructively owned or beneficially owned by any person or group of persons.

Q: How do I vote?

A: The manner in which your shares may be voted depends on how your shares are held. If you own shares of record, meaning that your common shares are represented by

certificates or book entries in your name so that you appear as a shareholder of record in the company's share register maintained by our transfer agent, Continental Stock Transfer & Trust Company, a proxy card for voting those shares will be included with this Proxy Statement. You may direct how your shares are to be voted by completing, signing and returning the proxy card in the enclosed envelope. You may also vote your common shares in person at the Annual Shareholder Meeting.

If you own shares through a bank, brokerage firm or other nominee you may instead receive from your bank, brokerage firm or nominee a voting instruction form with this Proxy Statement that you may use to instruct them as to how your shares are to be voted. As with a proxy card, you may direct how your shares are to be voted by completing, signing and returning the voting instruction form in the envelope provided. Many banks, brokerage firms and other nominees have arranged for internet or telephonic voting of shares and provide instructions for using those services on the voting instruction form. If you want to vote your shares in person at the meeting, you must obtain a proxy from your bank, broker or nominee giving you the right to vote your common shares at the Annual Shareholder Meeting.

We have requested that banks, brokers and other nominees forward solicitation materials to the beneficial owners of

common shares and will reimburse the banks, brokers and other nominees for their reasonable out-of-pocket expenses for forwarding the materials.

Q: **Who will count the vote?**

A: A representative from Baker & McKenzie Zurich, a law firm, will act as the inspector of elections and will be responsible for tabulating the votes cast by proxy (which will have been certified by our independent transfer agent) or in person at the Annual Shareholder Meeting. Under Swiss law, we are responsible for determining whether or not a quorum is present and the final voting results.

Q: **What does it mean if I receive more than one set of the Proxy Statement and proxy card?**

A: Generally, it means that you hold shares registered in more than one account. You should complete, sign and return each proxy card you receive to ensure that all of your shares are voted.

Q: **What happens if I sign and return my proxy card but do not indicate how to vote my shares?**

A: If no instructions are provided in an executed proxy card, the common shares represented by the proxy will be voted at the Annual Shareholder Meeting in accordance with the Board's recommendation for each proposal. As to any other business that may properly come before the Annual Shareholder Meeting, you may provide general instructions, as indicated on the proxy card, as to how such other business is to be voted. If you provide no instruction, the common shares represented by the proxy will be voted in accordance with the Board's recommendation as to such business.

Q: **How do I appoint and vote via an independent proxy if I am a shareholder of record?**

A: If you are a shareholder of record as of the Record Date, under Swiss law you may authorize the independent proxy, Buis Buergi AG, Muehlebachstrasse 8, P.O. Box 672, CH-8024 Zurich, Switzerland, e-mail at

proxy@bblegal.ch, with full rights of substitution, to vote your common shares on your behalf. If you authorize the independent proxy to vote your shares without giving instructions (or without giving clear instructions), your shares will be voted in accordance with the recommendations of the Board with regard to the items listed in the notice of meeting. If new agenda items (other than those in the notice of meeting) or new proposals or motions with respect to those agenda items set forth in the notice of meeting are being put forth before the Annual Shareholder Meeting, you may provide general instructions, as indicated on the proxy card, as to how such other business is to be voted. If you provide no instruction, the common shares represented by the proxy will be voted in accordance with the Board's recommendation as to such business. Proxy cards authorizing the independent proxy to vote your shares must be sent directly to the independent proxy, arriving no later than 6:00 a.m., local time, on April 19, 2016. If sending by e-mail to the independent proxy, you must attach the executed proxy card in order for your vote to be counted.

Q: **Can I change my vote after I have mailed my signed proxy card or otherwise instructed how my shares are to be voted?**

A: Yes. You may change your vote:

- By providing the Corporate Secretary with written notice of revocation, by voting in person at the Annual Shareholder Meeting or by executing a later-dated proxy card; *provided, however,* that the action is taken in sufficient time to permit the necessary examination and tabulation of the subsequent proxy or revocation before the vote is taken;

- If you have granted your proxy to the independent proxy, by providing Buis Buergi AG with written notice of revocation, by voting in person at the Annual Shareholder Meeting or by executing a later-dated independent proxy card. Revocation of, or changes to, proxies issued to the independent proxy must be received by the independent proxy by 6:00 a.m., local time, on April 19, 2016 either by mail to Buis Buergi AG, Muehlebachstrasse 8, P.O. Box 672, CH-8024 Zurich, Switzerland or by e-mail at proxy@bblegal.ch; or

- If you own shares through a bank, brokerage firm or other nominee, by obtaining a proxy from your bank, broker or nominee giving you the right to vote your common shares at the Annual Shareholder Meeting.

Attendance at the Annual Shareholder Meeting by a shareholder who has executed and delivered a proxy card to the independent proxy shall not in and of itself constitute a revocation of such proxy. Only your vote at the Annual Shareholder Meeting will revoke your proxy.

Q: **What else will happen at the Annual Shareholder Meeting?**

A: At the Annual Shareholder Meeting, shareholders will also receive the report of our independent auditors and our financial statements for the year ended December 31, 2015.

Q: **Who pays the costs of soliciting proxies?**

A: We will bear the cost of the solicitation of proxies. Solicitation will be made by mail, and may be made by our directors, officers and employees, personally or by telephone, facsimile or other electronic means, for which our directors, officers and employees will not receive any additional

compensation. Proxy cards and materials also will be distributed to beneficial owners of common shares through banks, brokers, custodians, nominees and other parties, and the company expects to reimburse such parties for their reasonable charges and expenses. Georgeson has been retained to assist us in the solicitation of proxies at a fee not expected to exceed $12,500, plus out-of-pocket expenses.

Q: **How may I receive a copy of the Company's Annual Report on Form 10-K?**

A: We will furnish without charge to any shareholder a copy of our Annual Report on Form 10-K for the year ended December 31, 2015, filed with the U.S. Securities and Exchange Commission ("SEC"). A copy of such report may be obtained upon written request to the Corporate Secretary, attention: Theodore Neos, at Allied World Assurance Company Holdings, AG, Park Tower, 15th floor, Gubelstrasse 24, 6300 Zug, Switzerland, or via e-mail at secretary@awac.com. Each such request must include a representation that, as of March 2, 2016, the person making the request was an owner of our common shares. The Annual Report on Form 10-K, and all of the company's filings with the SEC, can be accessed through our website at www.awac.com under the "SEC Filings" link located in the section entitled "Investor Relations." As permitted by the SEC's rules, we will not furnish any exhibits to the Annual Report on Form 10-K without charge, but will provide along with such report a list of such exhibits and information about the charges for providing them.

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Organizational Matters Required by Swiss Law

Admission to the Annual Shareholder Meeting

Shareholders who are registered in our share register on the Record Date will receive the Proxy Statement and proxy card from Continental Stock Transfer & Trust Company, our transfer agent. Beneficial owners of shares will receive instructions from their bank, brokerage firm or other nominee acting as shareholder of record to indicate how they wish their shares to be voted. Beneficial owners who wish to vote in person at the Annual Shareholder Meeting must obtain a power of attorney from their bank, brokerage firm or other nominee that authorizes them to vote the shares held by them on their behalf. In addition, you must bring to the Annual Shareholder Meeting an account statement or letter from your bank, brokerage firm or other nominee indicating that you are the owner of the common shares. Shareholders of record registered in our share register are entitled to participate in and vote at the Annual Shareholder Meeting. Each share is entitled to one vote. The exercise of voting rights is subject to the voting restrictions set out in the company's Articles of Association, a summary of which is contained in " How many votes do I have?" Please see the questions and answers provided under " General Meeting Information" for further information.

Granting a Proxy

If you are a shareholder of record please see " How do I vote?" and " How do I appoint and vote via an independent proxy if I am a shareholder of record?" above in the Proxy Statement for more information on appointing an independent proxy.

Registered shareholders who have appointed the independent proxy as a proxy may not vote in person at the Annual Shareholder Meeting or send a proxy of their choice to the meeting unless they revoke or change their proxies. Revocations to the independent proxy must be received by him by no later than 6:00 a.m., local time, on April 19, 2016 either by mail to Buis Buergi AG, Muehlebachstrasse 8, P.O. Box 672, CH-8024 Zurich, Switzerland or by e-mail at proxy@bblegal.ch.

As indicated on the proxy card, with regard to the items listed on the agenda and without any explicit instructions to the contrary, the independent proxy will vote according to the recommendations of the Board. If new agenda items (other than those on the agenda) or new proposals or motions regarding agenda items set out in the invitation to the Annual Shareholder Meeting are being put forth before the meeting, the independent proxy will vote in accordance with the position of the Board in the absence of other specific instructions.

Beneficial owners who have not obtained a power of attorney from their bank, brokerage firm or other nominee are not entitled to participate in or vote at the Annual Shareholder Meeting.

Admission Office

The admission office opens on the day of the Annual Shareholder Meeting at 1:30 p.m. local time. Shareholders of record attending the meeting are kindly asked to present their proxy card as proof of admission at the entrance.

Annual Report of Allied World Assurance Company Holdings, AG

The company's 2015 Annual Report, which accompanies this Proxy Statement, contains the company's audited consolidated financial statements, its audited statutory financial statements prepared in accordance with Swiss law and the remuneration report of the board of directors and executives required under Swiss law. The 2015 Annual Report can be accessed through the company's website at www.awac.com under the "Financial Reports" link located in the section entitled "Investor Relations." Copies of the 2015 Annual Report may be obtained without charge upon written request to the Corporate Secretary, attention: Theodore Neos, at Allied World Assurance Company Holdings, AG, Park Tower, 15th floor, Gubelstrasse 24, 6300 Zug, Switzerland, or via e-mail at secretary@awac.com. The 2015 Annual Report may be physically inspected at the company's headquarters at Park Tower, 15th floor, Gubelstrasse 24, 6300 Zug, Switzerland.

PROPOSAL 1
ELECT THE BOARD OF DIRECTORS

Each member of our Board is being nominated for election at this Annual Shareholder Meeting. Each of the nominees is a current member of the Board and was recommended for appointment to the Board by the Nominating & Corporate Governance Committee to serve until the Annual Shareholder Meeting in 2017.

Your Board unanimously recommends a vote FOR each of the nominees as listed on the enclosed proxy card. It is not expected that any of the nominees will become unavailable for election as a director but, if any nominee should become unavailable prior to the meeting, proxies will be voted in accordance with the general instructions provided on the proxy card with regard to such other person as your Board shall recommend and nominate. In the absence of other specific instructions, proxies will be voted as your Board shall recommend.

The biography of each nominee below contains information regarding the person's service as a director on the Board, his or her business experience, director positions at other companies held currently or at any time during the last five years, and his or her applicable experiences, qualifications, attributes and skills. James F. Duffy, a current director, is retiring from the Board and is not a nominee for reelection.

Nominees for Election

Barbara T. Alexander, 67

Position, Principal Occupation and Business Experience:

Ms. Alexander has been an independent consultant since January 2004. Prior to that, she was a Senior Advisor to UBS AG and predecessor firms from October 1999 to January 2004, and Managing Director of the North American Construction and Furnishings Group in the Corporate Finance Department of UBS from 1992 to October 1999. From 1987 to 1992, Ms. Alexander was a Managing Director in the Corporate Finance Department of Salomon Brothers Inc. From 1972 to 1987, she held various positions at Salomon Brothers, Smith Barney, Investors Diversified Services, and Wachovia Bank and Trust Company.
Ms. Alexander is currently a member of the board of directors of QUALCOMM Incorporated, where she is Chairperson of the Finance Committee; and Choice Hotels International, Inc., where she is Chairperson of the Audit Committee and a member of the Diversity Committee. Ms. Alexander previously served on the board of directors of KB Home from October 2010 to April 2014, Federal Home Loan Mortgage Corporation (Freddie Mac) from November 2004 to March 2010, Centex Corporation from July 1999 to August 2009, Burlington Resources Inc. from January 2004 to March 2006 and Harrah's Entertainment Inc. from February 2002 to April 2007. Ms. Alexander was selected as one of seven Outstanding Directors in Corporate America in 2003 by Board Alert magazine and was one of five Director of the Year honorees in 2008 by the Forum for Corporate Directors. She has also served on the board of directors of HomeAid America, Habitat for Humanity International and Covenant House.

Key Attributes, Experience and Skills:

Having been a member of numerous public company boards of directors, Ms. Alexander is familiar with a full range of corporate and board functions. She also has extensive experience in corporate finance, investment and strategic planning matters. The Board believes that, among other qualifications, Ms. Alexander's extensive experience in corporate finance, investment and strategic planning matters gives her the skills to serve as a director.

Director Since:
August 2009

Board Committees:
Audit (Chair),
Compensation,
Enterprise Risk and
Investment

Other Current Public Boards:
QUALCOMM Incorporated (NASDAQ: QCOM) and
Choice Hotels International (NYSE: CHH)

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Scott A. Carmilani, 51

Position, Principal Occupation and Business Experience:

Mr. Carmilani was elected our President and Chief Executive Officer in January 2004 and was appointed Chairman of the Board in January 2008. Mr. Carmilani was, prior to joining our company as Executive Vice President in February 2002, the President of the Mergers & Acquisition Insurance Division of subsidiaries of American International Group, Inc. ("AIG") and responsible for the management, marketing and underwriting of transactional insurance products for clients engaged in mergers, acquisitions or divestitures. Mr. Carmilani was previously the Regional Vice-President overseeing the New York general insurance operations of AIG. Before that he was the Divisional President of the Middle Market Division of National Union Fire Insurance Company of Pittsburgh, Pa., which underwrites directors and officers liability, employment practice liability and fidelity insurance for middle-market-sized companies. Prior to joining our company, he held a succession of underwriting and management positions with subsidiaries of AIG since 1987. Mr. Carmilani is currently a member of the board of trustees of the Visiting Nurse Association (VNA) Health Group, Inc. of New Jersey.

Key Attributes, Experience and Skills:

The Board believes that, among other qualifications, Mr. Carmilani's extensive expertise and experience in the insurance and reinsurance industry give him the skills to serve as a director.

Director Since:
September 2003

Board Committees:
Executive (Chair)

Other Current Public Boards:
None

Bart Friedman, 71

Position, Principal Occupation and Business Experience:

Mr. Friedman was elected Vice Chairman of the Board in July 2006 and was appointed Lead Independent Director of the Board in January 2008. Mr. Friedman has been a partner at Cahill Gordon & Reindel LLP, a New York law firm, since 1980. Mr. Friedman specializes in corporate governance, special committees and director representation. Mr. Friedman worked early in his career at the SEC. Mr. Friedman is currently chairman of the board of directors of Sanford Bernstein Mutual Funds, where he is a member of the Audit Committee and the Nominating and Governance Committee, and a member of the board of directors of Ovid Therapeutics Inc., where he is chairman of the Audit Committee. He is also the chairman of the Audit Committee of The Brookings Institution, a member of the board of directors of the Lincoln Center for the Performing Arts, where he is chairman of the Audit Committee and the Compensation Committee, and a member of the board of trustees of the Cooper-Hewitt Smithsonian Design Museum.

Key Attributes, Experience and Skills:

The Board believes that, among other qualifications, Mr. Friedman's extensive expertise and experience in corporate governance and investment matters give him the skills to serve as a director.

Director Since:
March 2006

Lead Independent Director

Board Committees:
Compensation, Investment and Nominating & Corporate Governance (Chair)

Other Current Public Boards:
Sanford Bernstein Mutual Funds

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Patricia L. Guinn, 61

Position, Principal Occupation and Business Experience:

Ms. Guinn retired from Towers Watson in June 2015 where she served as Managing Director of its Risk and Financial Services segment and a member of its Management Committee since 2010. Prior to this, she held a variety of leadership roles at Towers Perrin, one of Towers Watson's predecessor companies, which she joined in 1976. For more than 30 years, Ms. Guinn has consulted on risk management, mergers and acquisitions, financial analysis and performance measurement for insurance companies. Ms. Guinn previously served on the board of directors of Towers Perrin from 2001 to 2005 and again from 2008 to 2010. Ms. Guinn is currently a director of the International Insurance Society. She is a Fellow of the Society of Actuaries, a member of the American Academy of Actuaries and a Chartered Enterprise Risk Analyst.

Key Attributes, Experience and Skills:

The Board believes that, among other qualifications, Ms. Guinn's extensive experience in the insurance and reinsurance industry as well as expertise with risk management matters give her the skills to serve as a director.

Director Since:
December 2015

Board Committees:
Audit, Enterprise Risk and Nominating & Corporate Governance

Other Current Public Boards:
None

Fiona E. Luck, 58

Position, Principal Occupation and Business Experience:

Ms. Luck served as Executive Vice President and Chief of Staff at XL Group plc ("XL") from June 2006 until June 2009 and then Special Advisor to the Chief Executive Officer until January 2010. From 1999 to 2006, she served in various roles at XL, including as Executive Vice President of Group Operations and Interim Chief Financial Officer. From 1997 to 1999, she served as Senior Vice President of Financial Lines and later as Executive Vice President of Joint Ventures and Strategic Alliances at ACE Bermuda Insurance Ltd. From 1983 to 1997, she served in various roles at Marsh and McLennan, Inc., including as Managing Director and Head of the Global Broking operations in Bermuda. She is currently a member of the board of directors of the Bermuda Monetary Authority where she serves on its Audit & Risk Management Committee, Human Capital Committee and Non-Executive Directors Committee; and Gen Life Ltd and Gen Two Ltd. She previously served on the board of directors of Catlin Group Ltd from August 2012 until its merger with XL in May 2015 where she was Chair of the Compensation Committee and a member of the Audit, Investment and Nomination Committees. She also served on the board of directors of Kenbelle Capital LP from 2012 to 2015, Hardy Underwriting Bermuda Ltd. from 2010 to 2012 and Primus Guaranty Ltd. from 2007 to 2009. Ms. Luck also serves on the board of trustees of the David Shepherd Wildlife Foundation and the board of directors of Knowledge Quest. She is a member of the Institute of Chartered Accountants of Scotland.

Key Attributes, Experience and Skills:

The Board believes that, among other qualifications, Ms. Luck's extensive expertise and experience in the insurance and reinsurance industry give her the skills to serve as a director.

Director Since:
December 2015

Board Committees:
Compensation, Enterprise Risk and Executive

Other Current Public Boards:
None

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Patrick de Saint-Aignan, 67

Director Since:
August 2008

Board Committees:
Audit, Compensation, Enterprise Risk (Chair) and Investment

Other Current Public Boards:
State Street Corporation (NYSE: STT)

Position, Principal Occupation and Business Experience:

Mr. de Saint-Aignan held multiple positions at Morgan Stanley internationally from 1974 to 2007, where he was a Managing Director and, most recently, an Advisory Director. He held responsibilities in corporate finance and capital markets and headed successively Morgan Stanley's global fixed income derivatives and debt capital markets activities, its office in Paris, France, and the firm-wide risk management function. He was also a Founder, Director and Chairman of the International Swaps and Derivatives Association (1985-1992); Censeur on the Supervisory Board of IXIS Corporate and Investment Bank (2005-2007); a member of the board of directors of Bank of China Limited (2006-2008), where he was Chairman of the Audit Committee and a member of the Risk Policy Committee and the Personnel and Remuneration Committee; and a member of the board of directors and non-executive Chairman of the European Kyoto Fund (2010-2011). Mr. de Saint-Aignan is currently a member of the board of directors of State Street Corporation, where he is a member of its Risk and Capital Committee and its Examining and Audit Committee.

Key Attributes, Experience and Skills:

The Board believes that, among other qualifications, Mr. de Saint-Aignan's broad experience and expertise in corporate finance, risk management and investment matters as well as his international business background give him the skills to serve as a director.

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Eric S. Schwartz, 53

Position, Principal Occupation and Business Experience:

Mr. Schwartz is the founder and has been Chief Executive Officer of 76 West Holdings, a private investment company, since June 2008. In support of the activities of 76 West, he has served as Chairman of Applied Data Finance, LLC, a non-prime consumer finance company, since November 2014; as a director of Demica Limited, a trade finance company, since July 2014; as former Chairman and more recently a director of Jefferson National Financial Corp., an insurance company focused on the variable annuity market, since January 2012; as Chairman of Gold Bullion International LLC, a precious metals dealer, since January 2012; as a director of Indostar Capital Finance, a finance company based in India, since April 2011; and as a director of Binary Event Network, an electronic prediction marketplace, since May 2011. He served as a director of Atlanta Hawks Basketball & Entertainment, LLC from March 2014 to June 2015. He also served as Chairman-elect of Nikko Asset Management from June 2008 until its sale in June 2009; and as a director of Prosper Marketplace, an internet-based consumer lending company, from March 2012 until January 2013. Mr. Schwartz is a former Co-CEO of Goldman Sachs Asset Management. He joined The Goldman Sachs Group, Inc. ("Goldman Sachs") in 1984 and served in various leadership positions at the firm during his tenure at Goldman Sachs. In 1994, he became a partner in the Equity Capital Markets unit of Goldman Sachs' Investment Banking Division and later served as Co-Head of its Global Equities and Investment Management Divisions. He joined Goldman Sachs' Management Committee in 2001 and was named Co-Head of its Partnership Committee in 2005. In June 2007, he retired from Goldman Sachs. He serves as a director of the Food Bank for New York City and as a member of the Investment Committee for the endowment of UJA-Federation New York.

Key Attributes, Experience and Skills:

The Board believes that, among other qualifications, Mr. Schwartz's broad experience and expertise in corporate finance and investment matters as well as his international business background give him the skills to serve as a director.

Director Since:
October 2013

Board Committees:
Compensation and
Investment (Chair)

Other Current Public Boards:
None

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Samuel J. Weinhoff, 65

Position, Principal Occupation and Business Experience:

Mr. Weinhoff has served as a consultant to the insurance industry since 2000. Prior to this, Mr. Weinhoff was head of the Financial Institutions Group for Schroder & Co. from 1997 until 2000. He was also a Managing Director at Lehman Brothers, where he worked from 1985 to 1997. Mr. Weinhoff had ten years prior experience at the Home Insurance Company and the Reliance Insurance Company in a variety of positions, including excess casualty reinsurance treaty underwriter, investment department analyst, and head of corporate planning and reporting. Mr. Weinhoff is currently a member of the board of directors of Infinity Property and Casualty Corporation where he is a member of the Executive Committee and the Nominating and Governance Committee and Chairman of the Audit Committee. Mr. Weinhoff served on the board of directors of Inter-Atlantic Financial, Inc. from July 2007 to October 2009.

Key Attributes, Experience and Skills:

The Board believes that, among other qualifications, Mr. Weinhoff's extensive insurance and reinsurance industry experience as well as expertise in corporate finance and strategic planning matters give him the skills to serve as a director.

Director Since:
July 2006

Board Committees:
Audit, Compensation (Chair), Enterprise Risk, Executive, Investment and Nominating & Corporate Governance

Other Current Public Boards:
Infinity Property and Casualty Corporation (NASDAQ: IPCC)

Board and Committee Membership[1]

Name	Audit	Compensation	Enterprise Risk	Executive	Investment	Nominating
Barbara T. Alexander*	C	•	•		•	
Scott A. Carmilani				C		
Bart Friedman**		•			•	C
Patricia L. Guinn*	•		•			•
Fiona E. Luck*		•	•	•		
Patrick de Saint-Aignan*	•	•	C		•	
Eric S. Schwartz*		•			C	
Samuel J. Weinhoff*	•	C	•	•	•	•
Number of 2015 Meetings	**5**	**5**	**4**	**0**	**4**	**4**

• Member C Chair * Independent Director ** Lead Independent Director

(1) All committees, except the Executive Committee, are comprised of independent directors only.

Director Independence

The Board has determined that Mses. Alexander, Guinn and Luck, and Messrs. Duffy, Friedman, de Saint-Aignan, Schwartz and Weinhoff are independent directors under the listing standards of the New York Stock Exchange (the "NYSE"). We require that a majority of our directors meet the criteria for independence under applicable law and the rules of the NYSE. The Board has adopted a policy to assist it and the Nominating & Corporate Governance Committee in their determination as to whether a nominee or director qualifies as independent. This policy contains categorical standards for determining independence and includes the independence standards required by the SEC and the NYSE, as well as standards published by institutional investor groups and other corporate governance experts. In making its determination of independence, the Board applied these standards for director independence and determined that no material relationship existed between the company and these directors. A copy of the Board Policy on Director Independence was attached as an appendix to last year's Proxy Statement filed with the SEC on March 13, 2015.

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Meetings and Committees of the Board

During the year ended December 31, 2015, there were five meetings of our Board, five meetings of the Audit Committee, five meetings of the Compensation Committee, four meetings of the Enterprise Risk Committee, no meeting of the Executive Committee, four meetings of the Investment Committee and four meetings of the Nominating & Corporate Governance Committee. Each of our directors attended at least 75% of the aggregate number of Board meetings and committee meetings of which he or she was a member during the period he or she served on the Board. Our non-management directors meet separately from the other directors in an executive session at least quarterly. Mr. Friedman, our Vice Chairman of the Board and Lead Independent Director, or his designee, served as the presiding director of the executive sessions of our non-management and independent directors held in 2015. The Lead Independent Director also has the authority to call meetings of the independent directors or full Board.

Board Leadership Structure

The Board has chosen a leadership structure that combines the role of the Chief Executive Officer and the Chairman of the Board while also having a Lead Independent Director. The Lead Independent Director assumes many of the responsibilities typically held by a non-executive chairman of the board and a list of his responsibilities is provided in the chart below. The company's rationale for combining the Chief Executive Officer and Chairman of the Board positions relates principally to the Board's belief that at this stage of our development and continued global expansion, the company and its shareholders will be best served if the Chairman is in close proximity to the senior management team on a regular and continual basis.

Lead Independent Director

The Lead Independent Director is elected solely by and from the independent directors. Responsibilities include:

- organizing and presiding over all meetings of the Board at which the Chairman of the Board is not present, including all executive sessions of the non-management and independent directors;
- serving as the liaison between the Chairman of the Board and the non-management directors;
- overseeing the information sent to the Board by management;
- approving meeting agendas and schedules for the Board to assure that there is sufficient time for discussion of all agenda items;
- facilitating communication between the Board and management;
- being available to communicate with and respond to certain inquiries of the company's shareholders; and
-

performing such other duties as requested by the Board.

Our Board has also approved Corporate Governance Guidelines, a Code of Business Conduct and Ethics and a Code of Ethics for Chief Executive Officer and Senior Financial Officers. Printed copies of these documents as well as the committee charters discussed below are available by sending a written request to our Corporate Secretary. The foregoing information is available on our website at www.awac.com under "Investor Relations Corporate Information Governance Documents".

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Audit Committee. Pursuant to its charter, the Audit Committee is responsible for overseeing our independent auditors, internal auditors, compliance with legal and regulatory standards and the integrity of our financial reporting. Each member of the Audit Committee has been determined by the Board to be "financially literate" within the meaning of the NYSE Listing Standards and each has been designated by the Board as an "audit committee financial expert," as defined by the applicable rules of the SEC, based on either their extensive prior accounting and auditing experience or having a range of experience in varying executive positions in the insurance or financial services industry.

Compensation Committee. Pursuant to its charter, the Compensation Committee has the authority to establish compensation policies and recommend compensation programs to the Board, including administering all equity and incentive compensation plans of the company. Pursuant to its charter, the Compensation Committee also has the authority to review the competitiveness of the non-management directors' compensation programs and recommend to the Board these compensation programs and all payouts made thereunder. Additional information on the Compensation Committee's consideration of executive compensation, including a discussion of the roles of the company's Chief Executive Officer and the independent compensation consultant in such executive compensation consideration, is included in "Executive Compensation Compensation Discussion and Analysis."

Enterprise Risk Committee. Pursuant to its charter, the Enterprise Risk Committee oversees management's assessment and mitigation of the company's enterprise risks and reviews and recommends to the Board for approval the company's overall firm-wide risk appetite statement and oversees management's compliance therewith.

Executive Committee. The Executive Committee has the authority to oversee the general business and affairs of the company to the extent permitted by Swiss law.

Investment Committee. Pursuant to its charter, the Investment Committee is responsible for adopting and overseeing compliance with the company's Investment Policy Statement, which contains investment guidelines and other parameters for the investment portfolio. The Investment Committee oversees the company's overall investment strategy and the company's investment risk exposures.

Nominating & Corporate Governance Committee. Pursuant to its charter, the Nominating & Corporate Governance Committee is responsible for identifying individuals believed to be qualified to become directors and to recommend such individuals to the Board and to oversee corporate governance matters and practices.

The Nominating & Corporate Governance Committee will consider nominees recommended by shareholders and will evaluate such nominees on the same basis as all other nominees. Shareholders who wish to submit nominees for director for consideration by the Nominating & Corporate Governance Committee for election at the Annual Shareholder Meeting in 2017 may do so by submitting in writing such nominees' names and other information required under SEC rules and our Articles of Association, in compliance with the procedures described under "Shareholder Proposals for 2017 Annual Shareholder Meeting" in this Proxy Statement.

The criteria adopted by the Board for use in evaluating the suitability of all nominees for director include the following:

- high personal and professional ethics, values and integrity;
- education, skill and experience with insurance, reinsurance or other businesses and organizations that the Board deems relevant and useful, including whether such attributes or background would contribute to the diversity of the Board;

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- ability and willingness to serve on any committees of the Board; and
- ability and willingness to commit adequate time to the proper functioning of the Board and its committees.

In addition to considering candidates suggested by shareholders, the Nominating & Corporate Governance Committee considers candidates recommended by current directors, officers and others. The Nominating & Corporate Governance Committee screens all director candidates. The Nominating & Corporate Governance Committee determines whether or not the candidate meets the company's general qualifications and specific qualities for directors and whether or not additional information is appropriate.

The Board and the Nominating & Corporate Governance Committee do not have a specific policy regarding diversity. Instead, in addition to the general qualities that the Board requires of all nominees and directors, such as high personal and professional ethics, values and integrity, the Board and the Nominating & Corporate Governance Committee strive to have a diverse group of directors with differing experiences, qualifications, attributes and skills to further enhance the quality of the Board. As we are an insurance and reinsurance company that (i) sells products that protect other companies and individuals from complex risks, (ii) has a significant investment portfolio and (iii) faces operational risks similar to those at other international companies, the Board and the Nominating & Corporate Governance Committee believe that having a group of directors who have the range of experience and skills to understand and oversee this type of business is critical. The Board and the Nominating & Corporate Governance Committee do not believe that each director must be an expert in every aspect of our business, but instead the Board and committee strive to have well-rounded, collegial directors who contribute to the diversity of ideas and strengthen the Board's capabilities as a whole. Through their professional careers and experiences, the Board and the Nominating & Corporate Governance Committee believe that each director has obtained certain attributes that further the goals discussed above.

Risk Oversight

While the assumption of risk is inherent to our business, we believe we have developed a strong risk management culture throughout our organization that is fostered and maintained by our senior management, with oversight by the Board through its committees. The Board primarily delegates its risk management oversight to three of its committees: the Audit Committee, the Enterprise Risk Committee and the Investment Committee, who regularly report to the Board. The Audit Committee primarily oversees those risks that may directly or indirectly impact the company's financial statements, the Enterprise Risk Committee primarily oversees the company's business and operational risks and the Investment Committee primarily oversees the company's investment portfolio risks. The Enterprise Risk Committee also reviews and recommends for approval by the Board our overall firm-wide risk appetite statement, and oversees management's compliance with this statement. Each committee has broad powers to ensure that it has the resources to satisfy its duties under its charter, including the ability to request reports from any officer or employee of the company and the authority to retain special counsel or other experts and consultants as it deems appropriate.

Each of these committees receives regular reports from senior management who have day-to-day risk management responsibilities, including from our Chief Executive Officer. The Audit Committee receives reports from our Chief Executive Officer, Chief Financial Officer, Chief Actuary, General Counsel, Chief Information Officer, Head of Internal Audit and the company's independent auditors. These reports address various aspects of risk assessment and management relating to the company's financial statements. The Enterprise Risk Committee meets regularly with our Chief Executive Officer; President, Underwriting and Global Risk; Chief Risk Officer; and Chief Actuary as part of its oversight of the company's underwriting, pricing and claims risks. Throughout the year, the

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Enterprise Risk Committee will also receive reports from other operational areas. To assist it in its oversight of the company's investment risk exposures, the Investment Committee receives reports from our Chief Investment Officer and external investment managers and advisors.

As open communications and equal access to information can be an important part of the Board's risk oversight, all of the directors receive the information sent to each committee prior to any committee meeting. Board members are also encouraged to, and often do, attend all committee meetings regardless of whether he or she is a member of such committee.

Director Compensation

In 2015, compensation for our non-management directors consisted of the following:

Fees for Non-Management Directors

Position	Annual Cash Retainer	Annual Value of RSU Award
Board Member	$ 85,000	$ 90,000
Lead Independent Director	$ 15,000	
Audit Committee and Enterprise Risk Committee Chair	$ 50,000	
Compensation Committee and Investment Committee Chair	$ 35,000	
Nominating & Corporate Governance Committee Chair	$ 8,000	
Audit Committee Member	$ 25,000	

Our non-management directors received $3,000 for each Board meeting attended and $2,000 for each committee meeting attended. We also provide to all non-management directors reimbursement of expenses incurred in connection with their service on the Board, including the reimbursement of director educational expenses.

As discussed in footnote 2 to the "Stock Awards" column of the "Non-Management Directors Compensation" table below, in February 2015, each non-management director received an annual equity award of RSUs of the company worth approximately $90,000. Each RSU represents the right to receive one newly-issued, fully paid and non-assessable common share of the company at a future date and fully vests on the first anniversary of the date of grant, subject to continued service as a director through such date. The RSUs were awarded to our non-management directors pursuant to the Allied World Assurance Company Holdings, AG 2012 Omnibus Incentive Compensation Plan (the "2012 Omnibus Plan") and, other than with respect to vesting terms, were granted on similar terms and conditions as those generally granted to our employees. In 2015, these annual equity awards were granted concurrently with the grant of equity awards to members of our senior management following the preparation and completion of the 2015 year-end financial statements. Consistent with past practice, on February 22, 2016, each of our non-management directors (other than Mr. Duffy who is retiring from the Board) received 2,737 RSUs under the 2012 Omnibus Plan.

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The following table provides information concerning the compensation paid to the company's non-management directors for fiscal year 2015.

Non-Management Directors Compensation[(1)]

Name	Fees Earned or Paid in Cash	Stock Awards[(2)]	Other Compensation[(3)]	Total
Barbara T. Alexander	$ 184,000	$ 92,995	$ 10,000	$ 286,995
James F. Duffy	$ 146,000	$ 92,995	$ 10,000	$ 248,995
Bart Friedman	$ 138,000	$ 92,995	$	$ 230,995
Patricia L. Guinn[(4)]	$ 5,356	$ 5,655	$ 10,000	$ 21,011
Scott Hunter[(5)]	$ 90,166	$	$	$ 90,166
Fiona E. Luck[(6)]	$ 5,356	$ 5,655	$	$ 11,011
Patrick de Saint-Aignan	$ 209,000	$ 92,995	$ 10,000	$ 311,995
Eric S. Schwartz	$ 144,000	$ 92,995	$	$ 236,995
Samuel J. Weinhoff	$ 189,000	$ 92,995	$ 10,000	$ 291,995

(1) In 2015, our non-management directors did not receive any non-equity incentive plan compensation and did not have any pension or deferred compensation plan compensation that would be required to be included in this table. Accordingly, other columns generally required pursuant to SEC rules are not included in the "Non-Management Directors Compensation" table.

(2) As of December 31, 2015, our non-management directors held an aggregate of 14,182 RSUs under the 2012 Omnibus Plan, with each director (other than Ms. Guinn and Ms. Luck) holding 2,311 RSUs and each of Ms. Guinn and Ms. Luck holding 158 RSUs as they joined the Board in December 2015 and received a pro rata grant of RSUs for their service during 2015. In accordance with SEC rules, the amounts shown in the "Stock Awards" column equal the estimate of aggregate compensation costs to be recognized with respect to RSU awards granted in 2015 determined as of the grant date under Financial Accounting Standards Board Accounting Standards Codification (ASC) Topic 718, Stock Compensation ("FASB ASC Topic 718"), and excluding the effect of estimated forfeitures. The fair value has been calculated for purposes of the "Stock Awards" column in the table above by using the closing price of our common shares on the date of grant ($40.24 per common share for the awards issued on February 17, 2015, and $35.79 per common share for the awards to Ms. Guinn and Ms. Luck issued on December 9, 2015). In determining the fair value of awards for directors and all of our employees, the Board uses the daily volume-weighted average sales price of our common shares for the 20 consecutive trading days up to and including the second trading day prior to the date of grant ($38.9436 per common share, or a $89,999 aggregate grant to each director (other than Ms. Luck and Ms. Guinn) on February 17, 2015, and $36.0041 per common share, or a $5,689 aggregate grant to each of Ms. Guinn and Ms. Luck on December 9, 2015).

(3) Reflects matching contributions made under the company's matching gift program, which is available to all employees and directors. Under this program, the company will match contributions to eligible non-profit organizations, up to a maximum of $10,000 per year.

(4) Ms. Guinn joined the Board on December 9, 2015.

(5) Reflects compensation for service through April 30, 2015, Mr. Hunter's date of resignation.

(6) Ms. Luck joined the Board on December 9, 2015.

Stock Ownership Policy

In order to promote equity ownership and further align the interests of the Board with our shareholders, the Board adopted a stock ownership policy for all non-management directors. Under this policy, a non-management director is expected to own, within five years after his or her joining the Board, equity interests of the company with a value equal to five times the then-current annual cash retainer for serving on the Board. Non-management directors are expected not to sell any common shares until they are in compliance with this policy. Mr. Carmilani, our President, Chief Executive Officer and Chairman of the Board, is subject to a stock ownership policy for senior employees as described in "Executive Compensation Compensation Discussion and Analysis Stock Ownership Policy."

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PROPOSAL 2
ELECT THE CHAIRMAN OF THE BOARD OF DIRECTORS

Pursuant to Swiss law, the Chairman of the Board must be elected annually by our shareholders. The Nominating & Corporate Governance Committee has recommended electing Scott A. Carmilani to serve as Chairman of the Board until the Annual Shareholder Meeting in 2017. Mr. Carmilani has served as Chairman of the Board since January 2008. As noted in "Board Leadership Structure," our rationale for combining the CEO and Chairman of the Board positions relates principally to the Board's belief that at this stage of our development and continued global expansion, we and our shareholders will be best served if the Chairman is in close proximity to the senior management team on a regular and continual basis. Under Mr. Carmilani's leadership as President, CEO and Chairman of the Board, we have achieved considerable growth by expanding our business in Asia, Europe, Latin America and North America; have successfully responded to changes to the insurance and reinsurance industry as well as macroeconomic change; and have delivered superior value creation over the past several years. For additional information about our financial performance and our performance relative to our peers, please see the "Proxy Statement Summary" on page 1 of this Proxy Statement.

This proposal may only be approved if our shareholders voting (in person or by proxy) at the Annual Shareholder Meeting first elect Mr. Carmilani as a director in Proposal 1 "Elect the Board of Directors". If our shareholders do not approve this proposal, the Board may call an extraordinary general meeting of shareholders for reconsideration of this proposal.

Your Board unanimously recommends a vote FOR the nominee for Chairman of the Board, Mr. Scott A. Carmilani, as listed on the enclosed proxy card. It is not expected that Mr. Carmilani will become unavailable for election as Chairman of the Board but, if he should become unavailable prior to the meeting, proxies will be voted in accordance with the general instructions provided on the proxy card with regard to such other person as your Board shall recommend and nominate. In the absence of other specific instructions, proxies will be voted as your Board shall recommend.

PROPOSAL 3
ELECT THE COMPENSATION COMMITTEE MEMBERS

Pursuant to Swiss law, the Compensation Committee members must be elected annually by our shareholders. The Nominating & Corporate Governance Committee has recommended electing Mses. Alexander and Luck, and Messrs. Friedman, de Saint-Aignan, Schwartz and Weinhoff to serve as members of the Compensation Committee until the Annual Shareholder Meeting in 2017. As noted in "Nominees for Election Board and Committee Membership," the Compensation Committee is comprised entirely of independent directors. As noted in "Board Leadership Structure," the Compensation Committee has the authority to establish compensation policies and recommend compensation programs to the Board. Each of the proposed members currently serves on the Compensation Committee.

This proposal may only be approved if our shareholders voting (in person or by proxy) at the Annual Shareholder Meeting elect each of the directors that are members of the Compensation Committee in Proposal 1 "Elect the Board of Directors". If a director is not re-elected as a director in Proposal 1, he or she will be ineligible to serve on the Compensation Committee. If our shareholders do not approve this proposal, the Board may call an extraordinary general meeting of shareholders for reconsideration of this proposal.

Your Board unanimously recommends a vote FOR each of the nominees of the Compensation Committee, Mses. Alexander and Luck, and Messrs. Friedman, de Saint-Aignan, Schwartz and Weinhoff,

as listed on the enclosed proxy card. It is not expected that any nominee will become unavailable for election as a member of the Compensation Committee but, if any nominee should become unavailable prior to the meeting, proxies will be voted in accordance with the general instructions provided on the proxy card with regard to such other person as your Board shall recommend and nominate. In the absence of other specific instructions, proxies will be voted as your Board shall recommend.

PROPOSAL 4
ELECT THE INDEPENDENT PROXY

Pursuant to Swiss law, the independent proxy must be elected annually by our shareholders. The Board has recommended electing Buis Buergi AG, a Swiss law firm, to serve as the independent proxy at and until the conclusion of the Annual Shareholder Meeting in 2017. Mr. Paul Buergi of Buis Buergi AG has served as independent proxy at our Annual Shareholder Meetings since 2012.

If the shareholders do not approve this proposal, the Board may call an extraordinary general meeting of shareholders for reconsideration of this proposal.

Your Board unanimously recommends a vote FOR Buis Buergi AG as the independent proxy at and until the conclusion of the 2017 Annual Shareholder Meeting.

PROPOSAL 5
APPROVE THE 2016 COMPENSATION FOR EXECUTIVES AS REQUIRED UNDER SWISS LAW

Pursuant to Swiss law, we are required to hold binding shareholder say-on-pay votes for executive compensation either prospectively or retrospectively. Accordingly, the proposal described in this Proposal 5 gives shareholders the opportunity to approve the maximum aggregate amount of compensation that can be paid to our executive officers for 2016. The executive officers currently include the following ten senior executives: Messrs. Scott A. Carmilani, John R. Bender, Thomas A. Bradley, Wesley D. Dupont, Frank N. D'Orazio, John J. Gauthier, Marshall J. Grossack, Louis P. Iglesias, Julian James and John J. McElroy.

The general principles of the company's executive compensation programs are described in Article 20b of the amended Articles of Association attached hereto as *Appendix A*. A more detailed description of our executive compensation programs currently in effect and the actual amounts paid to our named executive officers for 2015 are described in "Executive Compensation Compensation Discussion and Analysis" beginning on page 43 of this Proxy Statement (the "CD&A"). As described more fully in the CD&A, the Compensation Committee has established a compensation philosophy and related practices and follows a disciplined process in implementing our executive compensation programs and in making individual executive compensation determinations. Please read the amended Articles of Association and the CD&A to understand our executive compensation philosophy and process when considering this proposal.

In addition, shareholders have had the opportunity since 2011 under U.S. securities law to cast a non-binding advisory vote to approve the compensation paid to our named executive officers. There are three primary differences between the votes under the U.S. securities laws and under the Swiss Ordinance in this Proxy Statement.

	U.S. Securities Laws	**Swiss Ordinance**
Effect of Vote	Advisory, non-binding	Binding
Persons Covered	Five named executive officers	All executive officers (currently ten in total)
Compensation Year Covered	2015	2016

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Our shareholders have strongly supported our executive compensation programs, providing approval in each year since the required vote became effective. At our Annual Shareholder Meeting held in 2015, the shareholder approval level on executive compensation was 99.1% and, at our Annual Shareholder Meetings held in 2013, 2014 and 2015, the shareholder approval levels for advisory votes on executive compensation have been 98.4%, 98.8% and 98.9%, respectively. The advisory vote required under the U.S. securities laws is still in effect, so our shareholders are again provided the opportunity to vote to approve the compensation paid to the named executive officers in 2015, as is more fully discussed in Proposal 7 "Advisory Vote on 2015 Executive Compensation as Required Under U.S. Securities Laws".

For 2016, the company is proposing that shareholders approve the maximum aggregate compensation that can be paid to our executive officers in an amount not to exceed $39.0 million. This amount is the maximum amount that the Company can pay to our executive officers (other than additional amounts that may be payable to persons who newly assume executive officer functions after the Annual Shareholder Meeting) and has been calculated using conservative assumptions in order to provide the Board and the company's management flexibility to reward superior performance across all businesses and to address unforeseen circumstances that might arise during 2016. The table below provides the amounts approved at the Annual Shareholder Meeting in 2015 for compensation in 2015, the actual amounts of compensation that were paid during 2015 and our estimates for maximum compensation levels for 2016. The comments provide insight into the assumptions we have used to make these estimates.

	2015 Approved Compensation ($ in millions)	**2015 Actual Compensation ($ in millions)**	**2016 Maximum Compensation for Approval ($ in millions)**	**Comments**
Base Salaries	$5.4	$5.4	$5.4	• 2015 and 2016 base salaries reflect actual salaries for our executive officers.
Annual Cash Bonus	$11.2	$2.4	$11.2	• Cash bonuses for 2015 were received in February 2016 and cash bonuses for 2016 will be received in February 2017 • 2016 amount assumes maximum funding of the cash bonus pool at 200% upon achievement of superior performance
Equity Awards	$18.2	$12.0	$13.5	• Includes stock options, time-vested RSU awards and performance-based awards •

				Performance-based awards are valued at 150% at the time of grant in 2016 because they can vest at 150% of target or value at grant
Other Compensation	$1.2	$0.9	$5.3	• Includes benefits and perquisites that are described in more detail under "Executive Compensation Compensation Discussion & Analysis Retirement, Health and Welfare Benefits" and the Summary Compensation Table beginning on page 64.
Uplift	$3.6	N/A	$3.6	• A 10% increase has been added to the 2016 Maximum Compensation for Approval column to provide flexibility in the case of extraordinary circumstances or upon the achievement of superior performance
Total Compensation	$39.6	$20.7	$39.0	• Shareholders are being requested to approve the $39.0 million of total compensation for 2016

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We do not anticipate that the aggregate amount paid to our executive officers in 2016 will be at the maximum amount requested. Actual compensation paid to our executive officers in 2015 was $20.7 million. Actual 2016 compensation will be dependent on our performance pursuant to our compensation programs as described in the CD&A. For 2016, amounts paid to our executive officers will be awarded under the same executive compensation programs and under substantially the same terms as those in effect in 2015. Performance goals for 2016 were adjusted to reflect our financial plan and current strategy.

If the shareholders do not approve this proposal, the Board may call an extraordinary general meeting of shareholders for reconsideration of this proposal.

Your Board unanimously recommends a vote FOR the approval of the maximum aggregate compensation that can be paid, granted or promised to our executive officers in 2016 in an amount not to exceed $39.0 million.

PROPOSAL 6
APPROVE THE 2016 COMPENSATION FOR DIRECTORS AS REQUIRED UNDER SWISS LAW

Pursuant to Swiss law, we are required to hold binding shareholder say-on-pay votes for director compensation either prospectively or retrospectively. Accordingly, the proposal described in this Proposal 6 gives shareholders the opportunity to approve the aggregate amount of compensation that can be paid to our non-management directors in 2016.

The general principles of the company's director compensation programs are described in Article 20b of the amended Articles of Association attached hereto as *Appendix A*. A more detailed description of our director compensation programs currently in effect and the actual amounts paid to our non-management directors for 2015 are described in Proposal 1 "Elect the Board of Directors", which begins on page 13 of this Proxy Statement. The company does not currently have, and does not plan to implement, a retirement benefit scheme for non-management directors.

For 2016, the company is proposing that shareholders approve maximum aggregate compensation that can be paid to our non-management directors in an amount not to exceed $2.65 million. This amount is the maximum amount that the company can pay to our non-management directors and has been calculated using conservative assumptions. The table below provides the amounts approved at the Annual Shareholder Meeting in 2015 for compensation in 2015, the actual amounts of compensation that were paid during 2015 and our estimates for maximum compensation levels for 2016. The comments provide insight into the assumptions we have used to make these estimates.

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	2015 Approved Compensation ($ in millions)	2015 Actual Compensation(1) ($ in millions)	2016 Maximum Compensation for Approval(1) ($ in millions)	Comments
Retainer Fees	$0.85	$0.85	$0.90	• Includes (i) the annual cash retainer paid to each non-management director and (ii) the Lead Independent Director fee, committee chair fees and the fee paid to each member of the Audit Committee (other than the chairperson)
Attendance Fees	$0.33	$0.27	$0.43	• Includes $3,000 for each Board meeting attended and $2,000 for each committee meeting attended. Assumes six meetings in 2015
Equity Awards	$0.54	$0.55	$0.63	• Each non-management director received an annual equity grant valued at $90,000 in 2016 or a pro rata portion thereof
Other Compensation	$0.06	$0.05	$0.08	• Other compensation includes charitable matching grant contributions of $10,000 per year per director
Uplift	$0.53	N/A	$0.61	• A 30% increase has been added to the 2016 "Maximum Compensation for Approval" column to provide flexibility in the case of extraordinary circumstances or if additional

				Board or committee meetings are necessary
Total Compensation	$2.31	$1.72	$2.65	• Shareholders are being requested to approve the $2.65 million of total compensation for 2016

(1) All 2015 actual amounts reflect nine non-management directors, including Mr. Hunter who retired from the Board effective April 30, 2015, and all 2016 Maximum Amounts reflect seven non-management directors. Mr. Duffy is retiring from the Board effective April 19, 2016.

We do not anticipate that the aggregate amount paid to our directors in 2016 will be at the maximum amount requested. Actual 2016 compensation may be dependent on extraordinary circumstances that will require the Board and its committees to meet more frequently. For 2016, amounts paid to our directors will be awarded under the same director compensation programs and under substantially the same terms as those in effect in 2015.

If the shareholders do not approve this proposal, the Board may call an extraordinary general meeting of shareholders for reconsideration of this proposal.

Your Board unanimously recommends a vote FOR the approval of the maximum aggregate compensation that can be paid, granted or promised to our directors in 2016 in an amount not to exceed $2.65 million.

PROPOSAL 7
ADVISORY VOTE ON 2015 EXECUTIVE COMPENSATION AS REQUIRED UNDER U.S. SECURITIES LAWS

As required under U.S. securities laws, the company is providing its shareholders with the opportunity to cast an advisory vote on executive compensation as described below. The company believes that it is appropriate to seek the views of shareholders on the design and effectiveness of the company's executive compensation programs.

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The objectives of the company's executive compensation programs are to attract and retain talented and highly-skilled employees, reward strong company and individual performance, align the interests of the executive officers and the company's shareholders and remain competitive with other insurance and reinsurance companies, particularly those with which the company competes. The company believes that its executive compensation programs, which emphasize long-term, performance-based equity awards, a significant portion of which is "at risk" with vesting dependent on the company achieving certain performance targets, meet this objective and are strongly aligned with the long-term interests of its shareholders. The "Compensation Discussion and Analysis" section of this Proxy Statement beginning on page 43 describes the company's executive compensation programs and the decisions made by the Compensation Committee in more detail.

The table below reflects the company's performance on a relative basis against its peer group of 13 insurance and reinsurance companies (the "Peer Group") for the one, three and five-year periods ended December 31, 2015.

Company's Performance Relative to Its Peer Group as of December 31, 2015 (In quartiles. 1=first quartile, the highest level; 4=fourth quartile, the lowest level)

Performance Metric	2015 (one year) Rank	2013-2015 (three year) Rank	2011-2015 (five year) Rank
Diluted Book Value per Share Growth (adjusted for dividends)	4	2	1
Annualized Net Income Return ROAE (adjusted for other comprehensive income)	4	2	2
Combined Ratio	4	2	2
Total Shareholder Return	4	4	2

Your Board unanimously recommends the approval of the following resolution:

RESOLVED, that the compensation paid to the company's named executive officers, as disclosed pursuant to Item 402 of Regulation S-K promulgated by the SEC, including the Compensation Discussion and Analysis section, compensation tables and narrative discussion, be, and hereby is, APPROVED.

As an advisory vote, this proposal is not binding upon the company. However, the Compensation Committee, which is responsible for designing and administering the company's executive compensation programs, values the opinions expressed by shareholders in their vote on this proposal and will continue to consider the outcome of the vote when making future compensation decisions for the named executive officers.

PROPOSAL 8
APPROVE THE 2015 ANNUAL REPORT AND FINANCIAL STATEMENTS

The 2015 Annual Report, which accompanies this Proxy Statement, contains our audited consolidated financial statements and our audited statutory financial statements prepared in accordance with Swiss law for the year ended December 31, 2015, as well as the reports of Deloitte & Touche LLP and Deloitte AG, our independent and statutory auditors, respectively. The 2015 Annual Report also contains information on our business activities and our business and financial condition.

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Pursuant to Swiss law, the 2015 Annual Report, our audited consolidated financial statements and our audited Swiss statutory financial statements must be submitted to shareholders for approval at the Annual Shareholder Meeting. The 2015 Annual Report will be available for physical inspection at our offices at Park Tower, 15th floor, Gubelstrasse 24, 6300 Zug, Switzerland. Representatives of Deloitte & Touche LLP and Deloitte AG will attend the Annual Shareholder Meeting and will have an opportunity to make a statement if they wish. They will also be available to answer questions at the meeting.

If the shareholders do not approve this proposal, the Board may call an extraordinary general meeting of shareholders for reconsideration of this proposal.

Your Board unanimously recommends a vote FOR the approval of our 2015 Annual Report, including our audited consolidated financial statements and audited Swiss statutory financial statements prepared in accordance with Swiss law, each for the year ended December 31, 2015.

PROPOSAL 9
APPROVE THE RETENTION OF DISPOSABLE PROFITS

As noted in Proposal 8 "Approve the 2015 Annual Report and Financial Statements" above, the 2015 Annual Report that accompanies this Proxy Statement contains the company's audited statutory financial statements prepared in accordance with Swiss law for the year ended December 31, 2015, as well as the report of Deloitte AG, our statutory auditors. For the year ended December 31, 2015, on a standalone basis, we had disposable profits of CHF 366.4 million (or approximately $380.2 million). The Board proposes that the disposable profit on the company's audited statutory financial statements be carried forward as retained earnings for fiscal year 2015. The Board believes that it is in the best interests of the company and its shareholders to retain earnings for future investment in the growth of our business and for other attractive business opportunities. As noted in Proposal 10 "Approve the Payment of Dividends to Shareholders" below, we are proposing that our shareholders receive cash dividends from general legal reserve from capital contributions. Accordingly, we are proposing that no dividend distribution be made at this time to shareholders from 2015 year-end disposable profits.

If the shareholders do not approve this proposal, the Board may call an extraordinary general meeting of shareholders for reconsideration of this proposal.

Your Board unanimously recommends a vote FOR carrying forward as retained earnings the company's disposable profits on its audited statutory financial statements for the year ended December 31, 2015.

PROPOSAL 10
APPROVE THE PAYMENT OF DIVIDENDS TO SHAREHOLDERS

General Explanation of the Dividend

This agenda item calls for a distribution to shareholders out of general legal reserve from capital contributions, in an aggregate CHF amount equal to $1.04 per share (the "Base Annual Dividend"), using the USD/CHF currency exchange ratio as reported by The Wall Street Journal on the fourth New York business day prior to the date of the Annual Shareholder Meeting rounded down to the next cent amount (the "Foreign Exchange Rate") which can be divided by four, payable in four installments; provided that, each of the CHF installments will be adjusted pursuant to a formula so that the actual CHF amount for each installment will equal $0.26 per share, subject to an aggregate upward adjustment (the

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"Dividend Cap"), for the four installments of 50% of the Base Annual Dividend. Application of the formula will mean that the CHF amount of each installment will be determined at the approximate time of distribution, while the U.S. dollar value of the installment will remain $0.26 per share unless and until the Dividend Cap is reached. A quarterly installment that would otherwise exceed the Dividend Cap will be reduced to equal the CHF amount remaining available under the Dividend Cap, and the U.S. dollar amount distributed will be the then-applicable U.S. dollar equivalent of that CHF amount.

Agenda Item

The Board proposes that our shareholders voting (in person or by proxy) at our Annual Shareholder Meeting approve the following dividend in the form of a distribution from the company's "general legal reserve from capital contributions" account. The blank numbers in the following resolution will be completed based upon the company's actual share capital upon the date of the Annual Shareholder Meeting and applicable exchange rate calculations described below.

1. The aggregate amount of CHF [• *(number of common shares as registered in the Commercial Register on the date of the Annual Shareholder Meeting)*] *x* [• *(USD 1.04 × the Foreign Exchange Rate)*] ("Aggregate Dividend Amount From Capital Contributions Reserves") shall be transferred from the company's "general legal reserve from capital contributions" account to a "dividends payable" liability account and then be distributed by way of a dividend of CHF [• *(USD 1.04 × the Foreign Exchange Rate)*] per share as follows:

2. The Aggregate Dividend Amount From Capital Contributions Reserves shall be paid to shareholders in four installments in the amount of CHF [• *(USD* 0.26 *per share × the Foreign Exchange Rate)*] ("Quarterly Dividend Amount From Capital Contributions Reserves") in July 2016, in October 2016, in December 2016 and in March 2017.

3. The Quarterly Dividend Amount From Capital Contributions Reserves equals USD 0.26 ("Quarterly Dollar Amount") based on a USD/CHF exchange ratio of CHF [• *completed on the date of the Annual Shareholder Meeting*] (rounded down to the next whole cent) per $1 *(being the Foreign Exchange Rate)*. The Quarterly Dividend Amount From Capital Contributions Reserves and the Aggregate Dividend Amount From Capital Contributions Reserves are subject to the following adjustments as a result of USD/CHF currency fluctuations:

   (i) The Quarterly Dividend Amount From Capital Contributions Reserves is to be adjusted as a result of currency fluctuations such that each quarterly Dividend amount shall equal an amount calculated as follows (rounded down to the next whole cent):

   Quarterly Dividend Amount From Capital Contributions Reserves = Quarterly Dollar Amount × USD/CHF currency exchange ratio as reported by The Wall Street Journal on June 7, 2016, for the first quarterly dividend payment, on September 7, 2016, for the second quarterly dividend payment, on December 6, 2016, for the third quarterly dividend payment, and on March 7, 2017, for the fourth quarterly dividend payment.

   (ii) The adjustment of the Aggregate Dividend Amount From Capital Contributions Reserves shall be capped at CHF [• *completed on the date of the Annual Shareholder Meeting*] (corresponding to 50% of the Aggregate Dividend Amount From Capital Contributions Reserves set forth in paragraph 1). The cap is subject to further adjustment for new shares issued pursuant to paragraph 4 below.

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4. The Aggregate Dividend Amount From Capital Contributions Reserves pursuant to paragraph 1 (as adjusted pursuant to paragraph 3(i) and 3(ii)) shall be increased (to a maximum of CHF [• *completed on the date of the Annual Shareholder Meeting*]) by quarterly dividend payments on shares that are issued (i) in the course of capital increases (in relation to any merger, amalgamation, acquisition or other corporate reorganizations); (ii) from authorized share capital; or (iii) from conditional share capital after the Annual Shareholder Meeting and before the record date of the applicable Quarterly Dividend Amount From Capital Contributions Reserves. Quarterly Dividend Amounts From Capital Contributions Reserves that would otherwise exceed such maximum limit shall be reduced to equal the Swiss franc amount remaining available under such maximum limit, and the U.S. dollar amount distributed will be the then-applicable U.S. dollar equivalent of that Swiss franc amount. In addition, any Quarterly Dividend Amount From Capital Contributions Reserves shall be adjusted to reflect shares repurchased by the company after the Annual Shareholder Meeting and held in treasury on the record date of the applicable Quarterly Dividend Amount From Capital Contributions Reserves.

5. Any Dividend Cap amount remaining after the payment of the final Quarterly Dividend Amount From Capital Contributions Reserves shall, by operation of this resolution, be immediately reallocated to the "general legal reserve from capital contributions" account included in the balance sheet of the company's Swiss statutory financial statements, without any requirement that such reallocation be approved by the Board or at any Annual Shareholder Meeting.

6. The Board is instructed to determine the procedure for the payment of the Quarterly Distribution Amounts From Capital Contributions Reserves.

If the shareholders do not approve this proposal, the Board may call an extraordinary general meeting of shareholders for reconsideration of this proposal.

Your Board unanimously recommends a vote FOR the payment of the dividend as described above, such payment to be made in four quarterly installments.

PROPOSAL 11
APPROVE THE CANCELLING OF TREASURY SHARES

The company holds in treasury 10,226,981 common shares as of January 31, 2016. The company is seeking approval of a capital reduction through a cancellation of 6,218,389 of these common shares held in treasury. The cancellation of these shares will be made against "reserve for treasury shares from capital contributions". The cancellation of the treasury shares will have the effect of reducing the current share capital of the company by an aggregate amount of CHF 25,495,394.90.

Under Swiss law, a report from Deloitte AG, an auditor supervised by the Swiss government, will be available at the Annual Shareholder Meeting to confirm that the receivables of the creditors of the company are fully covered after the capital reduction resulting from the cancellation of the 6,218,389 common shares held in treasury. Upon satisfaction of all legal requirements, under Swiss law we will be required to submit an application to the Commercial Register in the Canton of Zug, Switzerland to register the amendments to our Articles of Association to cancel these treasury shares. Without effective registration, we will not be able to proceed with the cancellation of the treasury shares as described in this proposal. We cannot assure you that the Commercial Register in the Canton of Zug will approve the registration.

Pursuant to Swiss law, we are required to submit to you for your approval both the English version and the (authoritative) German version of the proposed amendments to the company's Articles

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of Association. Upon the approval of this proposal, Article 3 of the Articles of Association will be amended to read as follows:

Artikel 3 Aktienkapital	Article 3 Share Capital
a) Das Aktienkapital der Gesellschaft beträgt CHF 387,683,154.70 und ist eingeteilt in 94,556,867 auf den Namen lautende Aktien im Nennwert von CHF 4.10 je Aktie. Das Aktienkapital ist vollständig liberiert.	a) The share capital of the Company amounts to CHF 387,683,154.70 and is divided into 94,556,867 registered shares with a par value of CHF 4.10 per share. The share capital is fully paid-in.
b) Auf Beschluss der Generalversammlung können jederzeit Namenaktien in Inhaberaktien und Inhaberaktien in Namenaktien umgewandelt werden.	b) Upon resolution of the General Meeting of Shareholders, registered shares may be converted into bearer shares and bearer shares may be converted into registered shares, at any time.

If the shareholders do not approve this proposal, the Board may call an extraordinary general meeting of shareholders for reconsideration of this proposal.

Your Board unanimously recommends that shareholders vote FOR the capital reduction by cancellation of 6,218,389 common shares held in treasury and the corresponding amendment to our Articles of Association.

PROPOSAL 12
APPROVE A NEW SHARE REPURCHASE PROGRAM

The company is seeking the approval of its shareholders to establish a new share repurchase program for the repurchase of up to $500 million of the company's common shares. Under the terms of this new share repurchase program, the first three million common shares repurchased will remain in treasury and will be used by us to satisfy share delivery obligations under our equity-based compensation plans. Any additional common shares repurchased will be designated for cancellation and will be cancelled upon shareholder approval at a future annual shareholder meeting and therefore shall not be subject to the statutory provision of Swiss law that prohibits the company from holding in treasury more than 10% of its aggregate common shares. The repurchase of common shares will only be made from reserves from capital contributions. The company currently anticipates that the repurchases of common shares shall take place over a two-year period.

In May 2014, the company established a $500 million share repurchase program. As of February 3, 2016, there was approximately $151.5 million in remaining capacity under the 2014 share repurchase program. If approved by shareholders at the Annual Shareholder Meeting, the new share repurchase program will supersede the 2014 share repurchase program and no further repurchases will be made under the 2014 share repurchase program.

The Board is proposing that shareholders approve the new share repurchase program in order to provide the company with maximum capital management flexibility. The Board believes that the future repurchase of shares is advisable to the extent that market conditions, our financial condition and other factors so permit, in order to return excess capital to shareholders. The Board is therefore seeking shareholder approval to provide the company with the flexibility to repurchase common shares at any time after the Annual Shareholder Meeting.

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If the share repurchase program is approved by the shareholders, there can be no assurance that any common shares will actually be repurchased in the near term after the Annual Shareholder Meeting, or at all, and the repurchase program may be suspended or discontinued at any time.

The Board or the company's management, as applicable, may decide, based upon general market conditions, the company's cash flow, the company's ongoing capital requirements, the price of the shares, regulatory considerations and other factors, that the company should retain cash, reduce debt, make capital investments or otherwise use cash for general corporate purposes, and consequently repurchase fewer common shares or not repurchase any shares. Decisions regarding the amount, if any, and timing of any share repurchases would be made from time to time based upon the factors set forth above.

The Board has designated for cancellation any repurchased common shares in excess of three million shares. The benefit of this procedure is that by obtaining shareholder approval for the future cancellation of these repurchased shares, they no longer fall under the statutory provision of Swiss law that prohibits the company from holding in treasury an aggregate amount of common shares that exceeds 10% of the company's share capital. Please note that Proposal 11 "Approve the Cancelling of Treasury Shares" relates to the cancellation of shares that we hold in treasury and which were repurchased under the 2014 share repurchase program.

Your Board unanimously recommends a vote FOR the approval of the company's $500 million share repurchase program.

PROPOSAL 13
AMEND THE ARTICLES OF ASSOCIATION RELATING TO AUTHORIZED SHARE CAPITAL FOR GENERAL PURPOSES

The company's share capital prior to the Annual Shareholder Meeting will be CHF 413,178,549.60, or 100,775,256 common shares (the "Current Share Capital"). The company's share capital to be registered in the Commercial Register in the Canton of Zug, Switzerland after giving effect to the capital reduction resulting from the cancellation of the Treasury Shares described in Proposal 11 "Approve the Cancelling of Treasury Shares" will be CHF 387,683,154.70, or 94,556,867 common shares (the "Post-Cancellation Share Capital").

Under Swiss law, shareholders can authorize the board of directors of a company to issue new registered shares at any time within a period of no more than two years and, thereby, increase its share capital by a maximum amount of 50% of its then existing share capital. The Board has elected to request authority to increase our aggregate share capital by a maximum amount of 20% of our existing aggregate share capital. The Board was granted the authority to issue up to 20,485,190 authorized shares (*i.e.,* 20% of our then existing aggregate share capital) on May 1, 2014 at our 2014 Annual Shareholder Meeting. This authority is set forth in Article 6 of our Articles of Association and will expire on May 1, 2016.

The Board believes its authority to issue authorized common shares should be extended for an additional two-year period from the date of the Annual Shareholder Meeting until April 19, 2018. The Board proposes that our shareholders grant the Board the authority to issue up to 18,911,373 common shares until April 19, 2018 and approve a corresponding amendment to Article 6, sub-paragraph a) of our Articles of Association. This maximum number of common shares is less than the number currently authorized in our Articles of Association (which is 20,485,190 common shares) because the number of our common shares outstanding has decreased due to a cancellation of a portion of our treasury shares approved by shareholders at our 2015 Annual Shareholder Meeting and will decrease further after giving effect to the capital reduction resulting from the cancellation of the Treasury Shares described above, assuming that proposal is approved by shareholders and the Commercial Register in the Canton of Zug, Switzerland. The maximum number corresponds to approximately 18.8% of our aggregate Current Share Capital and approximately 20.0% of our aggregate Post-Cancellation Share Capital.

The authorized share capital approved pursuant to this agenda item will be available for issuance at such times and for such purposes as the Board may deem advisable without further action by the company's shareholders, except as may be required by applicable laws or regulations, including the rules of the NYSE. For example, the additional authorized share capital will be available for issuance by the Board in connection with financings, acquisitions of other companies, stock dividends or other corporate purposes. We believe this is an important step to help ensure that the Board can adapt and react quickly to a changing economic climate, business challenges, including increased catastrophes, and opportunities in capital and other relevant markets. The Board has not issued additional shares pursuant to its previous authorizations and does not intend to issue any stock except on terms or for reasons which the Board deems to be in the best interests of the company and its shareholders.

Pursuant to Swiss law, we are required to submit to you for your approval both the English version and the (authoritative) German version of the proposed amendments to the company's Articles of Association. Upon the approval of this proposal, Article 6(a) of the Articles of Association will be amended to read as follows:

Artikel 6 Genehmigtes Kapital zu allgemeinen Zwecken	**Article 6 Authorized Share Capital for General Purposes**
a) Der Verwaltungsrat ist ermächtigt, das Aktienkapital jederzeit bis 19. April 2018 im Maximalbetrag von CHF 77,536,629.30 durch Ausgabe von höchstens 18,911,373 vollständig zu liberierenden Namenaktien mit einem Nennwert von CHF 4.10 je Aktie zu erhöhen.	a) The Board of Directors is authorized to increase the share capital from time to time and at any time until April 19, 2018 by an amount not exceeding CHF 77,536,629.30 through the issue of up to 18,911,373 fully paid up registered shares with a par value of CHF 4.10 each.

For purposes of this proposal, we have assumed that Proposal 11 "Approve the Cancelling of Treasury Shares" has been approved by shareholders and the Commercial Register in the Canton of Zug, Switzerland. If either of these proposals is not approved, the amendment to our Articles of Association reflected in this proposal will be revised accordingly.

Your Board unanimously recommends a vote FOR the extension of the Board's authority to issue authorized share capital until April 19, 2018.

PROPOSAL 14
ELECT DELOITTE & TOUCHE LLP AS INDEPENDENT AUDITOR AND DELOITTE AG AS STATUTORY AUDITOR

Pursuant to Swiss law, the appointment of our independent and statutory auditors is subject to approval annually by the company's shareholders. The company's shareholders must elect an independent auditing firm for purposes of SEC reporting. The company's shareholders must also elect an auditing firm that will be responsible for auditing the company's consolidated financial statements and statutory financial statements. At the recommendation of the Audit Committee, your Board unanimously recommends the election of Deloitte & Touche LLP as our independent auditor for purposes of SEC reporting and Deloitte AG as our statutory auditor for the fiscal year ending December 31, 2016.

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Deloitte & Touche LLP has served as the company's independent auditor since April 2015, and Deloitte AG has served as the company's statutory auditor since May 2010.

Representatives of Deloitte & Touche LLP and Deloitte AG will attend the Annual Shareholder Meeting and will have an opportunity to make a Swiss statutory disclosure statement if they wish. They will also be available to answer questions at the meeting. If approved, Deloitte & Touche LLP and Deloitte AG will serve as the company's independent and statutory auditors, respectively, for such compensation as the Audit Committee of your Board shall reasonably determine until the company's next Annual Shareholder Meeting.

Your Board unanimously recommends a vote FOR the appointment of Deloitte & Touche LLP as the company's independent auditor and Deloitte AG as its statutory auditor.

Fees to Independent Registered Public Accountants for Fiscal 2015 and 2014

The following table shows information about fees billed to us by Deloitte & Touche LLP and Deloitte AG and their affiliates for services rendered for the fiscal years ended December 31, 2015 and 2014.

	2015	2014
Audit Fees	$ 5,249,102	$ 4,501,735
Audit-Related Fees[1]	$ 405,000	$ 417,705
Tax Fees	$	$
All Other Fees	$	$

(1) Audit-Related Fees are fees for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and are not reported under the Audit Fees category, and includes in 2015 the services performed in connection with the filing of the company's shelf registration statement in June and the offering of senior notes in October.

The Audit Committee has a policy to pre-approve all audit and non-audit services to be provided by the independent auditors and estimates therefor. The Audit Committee pre-approved all audit services and non-audit services and estimates therefor provided to the company by the independent auditors in 2015 and 2014.

PROPOSAL 15
ELECT PRICEWATERHOUSECOOPERS AG AS SPECIAL AUDITOR

Under Swiss law, special reports by an auditor are required in connection with certain corporate transactions, including certain types of increases in share capital. We have been informed that, because of the auditor independence requirements under U.S. federal securities laws, Deloitte AG cannot act as our special auditing firm with respect to certain types of capital increases.

At the recommendation of the Audit Committee, your Board unanimously recommends the election of PricewaterhouseCoopers AG, an auditor supervised by the Swiss government, as the company's special auditing firm until the next Annual Shareholder Meeting. If the company's shareholders do not approve this proposal, the Board may call an extraordinary general meeting of shareholders for reconsideration of this proposal by shareholders.

Your Board unanimously recommends a vote FOR the election of PricewaterhouseCoopers AG as the company's special auditors.

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PROPOSAL 16
DISCHARGE OF THE BOARD OF DIRECTORS AND EXECUTIVE OFFICERS FROM LIABILITIES

As is customary for Swiss corporations and in accordance with Article 698, subsection 2, item 5 of the Swiss Code of Obligations, shareholders are requested to discharge from liability all the individuals who served as members of the Board or as executive officers of the company for their activities during the fiscal year ended December 31, 2015 that have been disclosed, or are otherwise known, to the shareholders. The release binds only the company and the shareholders who either voted in favor of the proposal or who subsequently acquired shares with the knowledge of this resolution.

Under Swiss law, the right of shareholders who do not vote in favor of this proposal to bring an action against the directors and/or executive officers with respect to the matters discharged is extinguished within six months after approval of this proposal by the shareholders.

Your Board unanimously recommends a vote FOR the discharge from liability of all the individuals who served as members of the Board or as executive officers of the company for their activities during the year ended December 31, 2015.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The company has no related-party transactions to report.

Review, Approval or Ratification of Transactions with Related Persons

Pursuant to our Audit Committee charter, the Audit Committee reviews and approves the related-party transactions we enter into. We do not have formal written standards in connection with the review and approval of related-party transactions as we believe each transaction should be analyzed on its own merits. In making its decision, the Audit Committee will review, among other things, the relevant agreement, analyze the specific facts and circumstances and speak with, or receive a memorandum from, management that outlines the background and terms of the transaction. As insurance and reinsurance companies enter into various transactions in the ordinary course of business, the Audit Committee does not review these types of transactions to the extent they are open-market transactions that happen to involve related parties.

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PRINCIPAL SHAREHOLDERS

The table below sets forth information as of February 23, 2016 regarding the beneficial ownership of our common shares by:

- each person known by us to beneficially own more than 5% of our outstanding common shares,
- each of our directors,
- our Chief Executive Officer ("CEO"), our Chief Financial Officer ("CFO") and our three other most highly compensated officers who were serving as executive officers at the end of our 2015 fiscal year (collectively, our "named executive officers" or "NEOs"), and
- all of our directors and executive officers as a group.

Name and Address of Beneficial Owner	Beneficial Owner of Common Shares[1]	
	Number of Common Shares	Percentage of Common Shares
Artisan Partners Holdings LP[2] 875 East Wisconsin Avenue, Suite 800, Milwaukee, WI 53202	3,688,736	4.1%
FMR LLC[3] 245 Summer Street, Boston, MA 02210	7,343,323	8.1%
The Vanguard Group, Inc.[4] 100 Vanguard Blvd., Malvern, PA 19355	5,670,803	6.3%
Barbara T. Alexander	23,358(5)	*
Scott A. Carmilani	1,525,638(6)	1.7%
James F. Duffy	37,662	*
Bart Friedman	41,538	*
Patricia L. Guinn	0	*
Fiona E. Luck	0	*
Patrick de Saint-Aignan	26,553	*
Eric S. Schwartz	109,003(7)	*
Samuel J. Weinhoff	39,432	*
Thomas A. Bradley	11,195	*
John R. Bender	148,920(8)	*
Wesley D. Dupont	232,765(9)	*
Frank N. D'Orazio	225,273(10)	*
All directors and executive officers as a group (19 persons)	2,848,684(11)	3.1%

* Less than 1%.

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(1) Pursuant to the regulations promulgated by the SEC, our common shares are deemed to be "beneficially owned" by a person if such person directly or indirectly has or shares the power to vote or dispose of our common shares, whether or not such person has any pecuniary interest in our common shares, or the right to acquire the power to vote or dispose of our common shares within 60 days of February 23, 2016, including any right to acquire through the exercise of any option, warrant or right. As of February 23, 2016, we had 90,205,426 common shares issued and outstanding. All amounts listed represent sole voting and dispositive power unless otherwise indicated.

(2) Based on information reported on Schedule 13G/A, as filed with the SEC on February 2, 2016 jointly by Artisan Partners Holdings LP ("Artisan Holdings"), Artisan Partners Limited Partnership ("Artisan Partners"), Artisan Investments GP LLC ("Artisan Investments"), and Artisan Partners Asset Management Inc. ("Artisan Asset Management", which together with Artisan Holdings, Artisan Partners and Artisan Investments are referred to herein as the "Artisan Parties"), the Artisan Parties are the beneficial owners of 3,688,736 of our common shares. According to this Schedule 13G/A, the Artisan Parties have the following dispositive powers with respect to our common shares: (a) sole voting power: none; (b) shared voting power: 3,518,152; (c) sole dispositive power: none; and (d) shared dispositive power: 3,688,736.

(3) Based on information reported on Schedule 13G/A, as filed by FMR LLC ("FMR") and Abigail P. Johnson with the SEC on February 12, 2016, FMR and Ms. Johnson are the beneficial owners of 7,343,323 of our common shares. According to this Schedule 13G/A, FMR has sole voting power over 35,829 common shares and sole dispositive power over 7,343,323 of our common shares and has no shared voting power and no shared dispositive power over any of these shares.

(4) Based on information reported on Schedule 13G/A, as filed by The Vanguard Group, Inc. ("Vanguard") with the SEC on February 10, 2016, Vanguard has the following powers with respect to the common shares: (a) sole voting power: 66,301; (b) shared voting power: 4,800; (c) sole dispositive power: 5,605,202; and (d) shared dispositive power: 65,601.

(5) Includes 17,358 common shares held by Ms. Alexander as a co-trustee for the Stiles Family Trust dated November 20, 2007.

(6) Includes stock options exercisable to purchase 134,415 common shares and 139,000 common shares held by an irrevocable trust for the benefit of Mr. Carmilani's spouse and children.

(7) Includes 105,000 common shares held by 76 West Holdings LLC, in which Mr. Schwartz has 100% ownership.

(8) Includes stock options exercisable to purchase 16,170 common shares.

(9) Includes stock options exercisable to purchase 19,530 common shares.

(10) Includes stock options exercisable to purchase 16,065 common shares.

(11) Includes stock options exercisable to purchase 229,845 common shares.

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EXECUTIVE OFFICERS

Our executive officers are elected by and serve at the discretion of your Board. The following table identifies the executive officers of the company, including their respective ages and positions as of the date hereof.

Name	Age	Position
Scott A. Carmilani(1)	51	President, Chief Executive Officer and Chairman of the Board
John R. Bender	51	Chief Executive Officer, Reinsurance, Allied World Reinsurance Management Company
Thomas A. Bradley	58	Executive Vice President & Chief Financial Officer
Wesley D. Dupont	47	Executive Vice President & General Counsel
Frank N. D'Orazio	47	President, Underwriting and Global Risk
John J. Gauthier	54	Executive Vice President & Chief Investment Officer
Marshall J. Grossack	56	Executive Vice President & Chief Actuary
Louis P. Iglesias	52	President, North America Allied World Assurance Company (U.S.) Inc. and Allied World National Assurance Company
Julian James	53	President, Global Markets Allied World Assurance Company (Europe) Limited
John J. McElroy	51	Chief Operating Officer
Kent W. Ziegler	53	Senior Vice President, Finance and Chief Accounting Officer

(1) Please see Mr. Carmilani's biography under Proposal 1 "Elect the Board of Directors" earlier in this Proxy Statement.

John R. Bender has been the Chief Executive Officer, Reinsurance of Allied World Reinsurance Management Company since August 2014 and oversees our reinsurance platform on a global basis. From February 2012 to August 2014, he served as the President of Allied World Reinsurance Management Company. From August 2009 to February 2012, he served as the President and Chief Operating Officer of Allied World Reinsurance Company, one of our subsidiaries. He joined us in November 2007 as the Chief Operating Officer of Allied World Reinsurance Company. From November 2007 through November 2011, Mr. Bender was responsible for establishing and expanding the company's U.S. reinsurance platform and for overseeing its day-to-day operations. Since December 2011, Mr. Bender has assumed responsibility for providing strategic leadership and executing business strategies for our global reinsurance operations. Prior to joining us, Mr. Bender held several senior management positions at Platinum Underwriters Holdings, Ltd., including Chief Underwriting Officer, Casualty from November 2005 to October 2007 and Senior Vice President, Commercial Liability Products from October 2002 to November 2005. From 1989 to October 2002, he held numerous claims and underwriting positions with St. Paul Reinsurance Management Company.

Thomas A. Bradley joined the company as Executive Vice President & Chief Financial Officer in September 2012. Prior to joining us, Mr. Bradley had served as the Chief Financial Officer of Dorsey & Whitney LLP, a large international law firm, since August 2011. From April 2009 to April 2011,

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Mr. Bradley served in various financial positions at the Fair Isaac Corporation, a business services company, including as its Executive Vice President and Chief Financial Officer. From April 2004 to February 2009, Mr. Bradley served in various financial and operational positions at Zurich Financial North America, a financial services company, including as its Executive Vice President and Chief Financial Officer. Prior to that, he held a host of senior financial and operational positions at USF&G Corporation/St. Paul Companies.

Wesley D. Dupont has been our Executive Vice President & General Counsel since September 2009 and presently oversees our legal, compliance, claims and human resources functions on a global basis. From December 2005 to September 2009, he served as our Senior Vice President, General Counsel and served as our Corporate Secretary through May 2012. In November 2003, Mr. Dupont began working for American International Company Limited, a subsidiary of AIG, and began providing legal services to us pursuant to an administrative services contract with American International Company Limited. Through that contract, Mr. Dupont served as our Senior Vice President, General Counsel and Secretary from April 2004 until November 30, 2005. As of December 1, 2005, Mr. Dupont became an employee of our company. Prior to joining American International Company Limited, Mr. Dupont worked as an attorney at Paul, Hastings, Janofsky & Walker LLP, a large international law firm, where he specialized in general corporate and securities law. From April 2000 to July 2002, Mr. Dupont was a Managing Director and the General Counsel for Fano Securities, LLC, a specialized securities brokerage firm. Prior to that, Mr. Dupont worked as an attorney at Kelley Drye & Warren LLP, another large international law firm, where he also specialized in general corporate and securities law.

Frank N. D'Orazio has been the President, Underwriting and Global Risk since December 31, 2014 and is responsible for the oversight and governance of our underwriting activities, enterprise risk management and ceded reinsurance strategies globally. From September 2009 to December 2014, Mr. D'Orazio served as the President Bermuda and International Insurance of Allied World Assurance Company, Ltd, one of our subsidiaries, where he was responsible for providing strategic leadership and executing business strategies for the Bermuda, Europe and Asia insurance platforms. Prior to that, he served as the Chief Underwriting Officer of Allied World Assurance Company, Ltd since September 2008. From March 2005 to September 2008, Mr. D'Orazio was the company's Senior Vice President General Casualty where he was responsible for managing the company's general casualty and healthcare operations in Bermuda, Europe and the United States. Mr. D'Orazio joined the company in June 2003 as Vice President General Casualty. Prior to joining our company, Mr. D'Orazio worked for the retail insurance market arm of Munich-American Re-Insurance from August 1994 to May 2003, where he held a succession of underwriting and management positions. Mr. D'Orazio held various underwriting positions in the excess casualty division of Chubb from June 1990 to July 1994.

John J. Gauthier, CFA, has been our Executive Vice President & Chief Investment Officer since May 2011 and oversees the management of the company's investment portfolio. In September 2012, he was also named President of Allied World Financial Services, Inc. and Allied World Financial Services, Ltd, subsidiaries of the company. Since March 2010, he has served as the Executive Vice President and Chief Investment Officer of AWAC Services Company, a subsidiary of the company. From October 2008 through February 2010, he served as Senior Vice President and Chief Investment Officer of AWAC Services Company. Previous to joining our company, Mr. Gauthier was Global Head of Insurance Fixed Income Portfolio Management at Goldman Sachs Asset Management from February 2005 to September 2008. Prior to that position, from 1997 to January 2005 he was Managing Director and Portfolio Manager at Conning Asset Management where he oversaw investment strategy for all property and casualty insurance company clients. Mr. Gauthier also served as Vice President at General Reinsurance/New England Asset Management, as well as a Portfolio Manager at General Reinsurance.

Marshall J. Grossack has been our Executive Vice President-Chief Actuary since September 2009. He served as our Senior Vice President and Chief Corporate Actuary from July 2004 to September

2009. From June 2002 until July 2004, Mr. Grossack was a Vice President and Actuary for American International Company Limited, a subsidiary of AIG, and provided services to us pursuant to a former administrative services contract with American International Company Limited. From June 1999 until June 2002, Mr. Grossack worked as the Southwest Region Regional Actuary for subsidiaries of AIG in Dallas, Texas.

Louis P. Iglesias has been the President, North America for Allied World Assurance Company (U.S.) Inc. and Allied World National Assurance Company, two of our subsidiaries, since January 31, 2014 and is responsible for providing strategic leadership and executing business strategies for our United States and Canada insurance platforms. Since December 31, 2014, he has also been responsible for providing strategic leadership and executing business strategies for our Bermuda insurance platform. From April 2012 through January 2014, he was the President, U.S. Property & Casualty for Allied World Assurance Company (U.S.) Inc. and Allied World National Assurance Company. From 1994 to April 2012, Mr. Iglesias served in various senior management positions at AIG, including Chief Executive Officer for Commercial Casualty, President for the Risk Management Group, President for AIG Environmental and President of AIG Construction. Prior to AIG, Mr. Iglesias worked at Travelers and Reliance insurance companies.

Julian James has been the President, Global Markets of Allied World Assurance Company (Europe) Limited since December 31, 2014 and is responsible for providing strategic leadership and executing business strategies for our direct insurance operations in Europe and Asia Pacific, which includes offices in Australia, Hong Kong, Labuan and Singapore. In addition, Mr. James has served as the Chief Executive Officer of Allied World Managing Agency Limited since April 2014. From March 2013 to December 2014, Mr. James served as the President of Allied World Assurance Company (Europe) Limited and was responsible for providing strategic leadership and executing business strategies for the company's European insurance platform. From September 2007 to January 2013, Mr. James served as the Chief Executive Officer at Lockton International. From 1997 to April 2007, Mr. James held senior management positions at Lloyd's, most recently as Director, Worldwide Markets, where he was responsible for all of Lloyd's commercial activities outside of the United Kingdom, including the management of its trading licenses as well as oversight of its global branding and communications. Before joining Lloyd's, Mr. James was the Development Director of brokers Sedgwick Energy and Marine Limited and a member of the division's Executive Management Committee. Prior to that, he spent five years working in senior positions with Sedgwick, where he began his career in 1981, in North America. In February 2016, he was elected to serve on the Council of Lloyd's.

John J. McElroy was appointed our Chief Operating Officer in March 2012. In this role, he oversees the company's operations and administration, information technology, new product development, marketing, broker relations and project management on a global basis. From May 2008 through February 2012, Mr. McElroy served as President, Professional Lines, of Allied World Assurance Company (U.S.) Inc. and Allied World National Assurance Company and oversaw the underwriting of all directors and officers liability, errors and omissions liability and medical malpractice liability insurance products by the company's U.S. insurance operations. From June 2004, when he joined us, through April 2008, Mr. McElroy served as our Senior Vice President, Field Operations Officer, during which time he was responsible for expanding our U.S. insurance operations, developing our network of U.S. offices and increasing brand and product visibility. Prior to joining us, Mr. McElroy worked with Gulf Insurance Group for 12 years where he held various underwriting and other senior management positions. He began his career at AIG underwriting directors and officers liability insurance for large commercial risks.

Kent W. Ziegler has been our Senior Vice President, Finance and Chief Accounting Officer since February 2013. Prior to joining us, from January 2010 through January 2013, Mr. Ziegler served as the Senior Vice President and Chief Financial Officer of the Retail Real Estate Division of JPMorgan Chase & Co. From 2005 to 2009, Mr. Ziegler served in JPMorgan Chase's Business Banking Division, most recently as the Senior Vice President and Chief Financial Officer. From 1989 to 2004, Mr. Ziegler served in various financial and operational positions at Gulf Insurance Group, including as the Executive Vice President, Chief Financial Officer and Chief Administrative Officer. He began his career in public accounting at Ernst & Young.

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EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

Executive Summary

Our executive compensation programs reflect a strong pay-for-performance philosophy. By linking a significant portion of target compensation for our executives to the company's financial performance, as well as to strategic and operational results that drive shareholder value, we seek to align the interests of our executives closely with shareholder interests.

In 2015, we generated net income of $83.9 million, or $0.89 per diluted common share, down from the prior year as Allied World was impacted by increasingly competitive underwriting conditions, investment volatility and poor performance in certain lines of business. The company's quartile rank in performance relative to its Peer Group is shown in the chart below:

Company's Performance Relative
to Its Peer Group as of December 31, 2015
(In quartiles. 1=first quartile, the highest level; 4=fourth quartile, the lowest level)

Performance Metric	2015 (one year) Rank	2013-2015 (three year) Rank	2011-2015 (five year) Rank
Diluted Book Value per Share Growth (adjusted for dividends)	4	2	1
Annualized Net Income ROAE (adjusted for other comprehensive income)	4	2	2
Combined Ratio	4	2	2
Total Shareholder Return	4	4	2

Management has taken steps to address operating and market challenges and has positioned the company for future performance by continuing to develop as a specialty insurer with a broad range of product offerings across global markets and an ability to manage volatility and capital to drive profitability. Highlights of some of our achievements in 2015 are that we:

- Successfully completed the acquisitions of Hong Kong and Singapore operations from Royal & Sun Alliance Insurance plc and managed the integration of these operations,
- Successfully managed probable maximum losses within prescribed limits based on our economic capital model and established risk tolerances,
- Continued to expand our insurance and reinsurance product offerings across a wide array of specialty coverages and jurisdictions,
- Successfully supported our growth initiatives through the continued development of our information technology systems and modeling capabilities, and
- Successfully completed an offering of $500 million of 4.35% senior notes due in 2025 to refinance the existing $500 million of 7.50% senior notes due in August 2016.

Based on the company's 2015 operating results further described below in this "Compensation Discussion & Analysis" section, the Compensation Committee recommended, and the Board approved, lower levels of cash and equity grants to the CEO and other NEOs relative to last year. In particular, the

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cash bonuses earned by our CEO and other NEOs for 2015 performance were significantly lower relative to those that were paid last year for 2014 performance, as shown in the table below:

Name	2014 Cash Bonus	2015 Cash Bonus	% Difference
CEO	$ 1,884,000	$ 500,000	(73)%
Average of Other NEOs	$ 841,250	$ 212,500	(75)%

The equity awards granted to our CEO and other NEOs are substantially performance-based and were also lower in 2016 relative to those that were granted last year, as shown in the table below:

Name	2015 Total Equity Awards	2016 Total Equity Awards	% Difference
CEO	$ 5,799,451	$ 2,849,973	(51)%
Average of Other NEOs	$ 937,423	$ 761,238	(19)%

As a result, the total direct compensation for our CEO and other NEOs (comprised of base salary, annual cash bonus and equity-based incentive compensation) for the 2015 performance year was substantially lower relative to the total direct compensation for the 2014 performance year, as shown in the graphs below:

Scott A. Carmilani

Average of Other NEOs

On February 22, 2016, the performance-based awards granted to certain NEOs in 2013 vested at 113% of target, based on a book value growth on a compounded annual growth rate ("CGAR") basis of 7.5% over the 2013-2015 performance period and ROE relative to the company's Peer Group in 2013. The length of the three-year performance period is designed to promote sustainable growth and profitability over the long term. While our 2015 results were down from recent performance, 2013 and 2014 were successful years that delivered profitable growth. The 113% vesting of the performance-based awards for the 2013-2015 performance period reflects our historically solid performance relative to our Peer Group.

Net Income Return on Equity
(Adjusted for other comprehensive income)

Diluted Book Value per Share Growth
(Adjusted for dividends)

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For more information on the compensation awards discussed in this "Executive Summary", please see the relevant sections under this "Compensation Discussion and Analysis", including " Compensation Discussion and Analysis 2015 Cash Compensation 2015 Annual Cash Bonus" for cash bonus awards and " Compensation Discussion and Analysis Equity-Based Compensation 2015 Equity Awards" for the grants and vesting of equity awards.

Compensation Program Overview

In accordance with the rules of the NYSE, a majority of the members of the Board are independent and the Compensation Committee is presently comprised of seven independent Board members. The Board has adopted a Compensation Committee Charter discussed earlier in this Proxy Statement. The Compensation Committee oversees our compensation programs and makes recommendations to the Board. Pursuant to Swiss law, the Board is required to make all final compensation decisions regarding the NEOs. We have achieved considerable growth since our inception in November 2001 and our compensation programs have been designed to reward executives who contribute to our continuing success.

The Compensation Committee has selected Farient Advisors, LLC ("Farient") as its independent compensation advisor. At the committee's direction, Farient has conducted an extensive review of our executive compensation strategy and programs to ensure strong alignment between executive compensation, business strategy and long-term shareholder value creation.

Compensation Philosophy. The insurance and reinsurance industry is very competitive, cyclical and often volatile, and our success depends in substantial part on our ability to attract and retain talented, high-achieving employees who will remain motivated and committed to the company during all insurance industry cycles. We have a strong pay-for-performance philosophy. Given our historically strong performance, we have set salaries and target bonuses for our executives as a group at approximately the median of the market, and total direct compensation, which includes salaries, target bonuses and the grant date value of equity, at between the 50^{th} and 75^{th} percentiles of the market. Total direct compensation for our executives as a group is delivered at the higher end of this pay positioning range following years in which performance is high relative to our Peer Group and at the lower end of this range following years in which performance is low relative to our Peer Group. Accordingly, the Compensation Committee believes that an effective executive compensation program is one that is designed to:

- Reward strong company and individual performance,
- Align the interests of the executive officers with the company's shareholders, and
- Balance the objectives of pay-for-performance and retention.

The Compensation Committee's objectives for the company's compensation programs are to:

- Drive and reward employee performance that supports the company's business objectives and financial success;
- Attract and retain talented and highly-skilled employees;
- Align the interests of the NEOs with the company's shareholders by:
  - having a substantial portion of compensation in long-term, performance-based equity awards, a large portion of which is "at risk" with vesting dependent on the company achieving certain performance targets over time, particularly at the senior officer level where such persons can more directly affect the company's financial success;

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- regularly evaluating the company's compensation programs to help ensure that they do not encourage excessive risk taking;
- tying incentive opportunity to a blend of metrics that focus on key company objectives, correlate with the creation of shareholder value and encourage prudent risk taking; and

Remain competitive with other insurance and reinsurance companies, particularly other insurance and reinsurance companies with which the company competes for talent.

Components of Executive Compensation. The components of our executive compensation programs and the terms of each are shown in the table below:

Components of Executive Compensation

Element	**Type**	**Terms**
Cash	Base Salary	• The fixed element of each NEO's annual cash compensation.
	Annual Cash Bonus	• A cash incentive opportunity based upon the achievement of annual goals. • The performance measures used to fund the bonus pool include: ○ Earnings before interest and taxes ("EBIT") (weighted one-third); ○ Return on equity ("ROE") relative to our Peer Group (weighted one-third); and ○ A corporate scorecard of financial, operational and strategic objectives (weighted one-third). • Individual performance is used to determine the allocation of the bonus pool. For more information, please see "2015 Cash Compensation How is EBIT Calculated?" and "2015 Cash Compensation How is ROE calculated and defined?"

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Equity-Based Incentive Compensation	Performance-Based Equity Awards	• An opportunity to earn shares in the company (or an equivalent value in cash) with vesting dependent upon our achieving certain performance targets over a three-year performance period. • The performance measures used to determine the actual versus target number of shares earned include: ○ Book value growth calculated on a CAGR basis (weighted one-half); and ○ ROE relative to our Peer Group (weighted one-half). For more information, please see "2015 Equity-Based Compensation "How is Book Value Calculated?" and "2015 Equity-Based Compensation How is ROE calculated and defined?"
	Restricted Stock Units (time-vested)	• An opportunity to earn shares in the company (or an equivalent value in cash) with vesting dependent upon our NEOs satisfying time-based vesting conditions. • RSUs generally vest pro rata over four years.
Retirement	401(k) Plan	• A qualified savings plan that provides participants with the opportunity to defer a portion of their compensation, up to the U.S. Internal Revenue Service ("IRS") tax code limitations, and receive a company matching contribution.
	Supplemental Executive Retirement Plan	• A plan that supplements the 401(k) plan by providing, on a non-qualified basis, for deferral of compensation in excess of the IRS tax code limitations.
Other	Perquisites	• Certain other benefits provided to executives by the company.

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The mix of our total direct compensation (comprised of base salary, annual cash bonus and equity-based incentive compensation) for our NEOs at grant value is shown below:

As shown in the charts above, the Compensation Committee manages the pay mix such that a substantial portion of pay is dedicated to "at risk" compensation, including annual cash bonuses and equity-based incentive compensation. The Compensation Committee believes that this mix of pay best aligns the interests of our executives, including the NEOs, with those of our shareholders over time.

We use ROE relative to our Peer Group for both our short-term cash bonus program and our long-term, equity-based compensation program because:

- The measure correlates closely with shareholder value over both the short- and longer-term;
- The Compensation Committee believes that utilizing the same metric for both the short- and long-term compensation programs ensures that short-term management decisions are not influenced by short-term gain at the expense of long-term performance;
- By using the same metric, the Compensation Committee is promoting sustained performance of the company in this area over both the short- and longer-term;
- ROE is a widely used financial metric in the insurance and reinsurance industry in assessing company performance; and
- The Compensation Committee believes that it is important to use both absolute and relative performance measures to help ensure that our compensation programs are linked to key internal objectives while also being sensitive to how we perform relative to our Peer Group.

Our Compensation Practices. We continue to implement and maintain what we believe are leading practices in our compensation programs and related areas. These practices include the following:

- We prohibit our employees and directors from pledging our securities and hedging and other derivative transactions in our securities (see "Stock Ownership Policy" below).

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- We require our executive officers to meet stock ownership requirements, and we prohibit them from selling any shares if doing so would cause them to fall below required levels (see "Stock Ownership Policy" below). We also have stock ownership requirements for our directors, as discussed earlier in this Proxy Statement.
- We prohibit the repricing or exchange of stock options or similar equity awards without shareholder approval.
- We do not pay dividends or dividend equivalents on unvested equity awards.
- Our annual equity awards provide for four-year vesting and our performance-based equity awards have a three-year performance period, except in limited circumstances involving certain terminations of employment. This time horizon encourages long-term sustained performance and retention of our executives.
- We can recover, or "clawback", equity-based compensation paid to executives for fraud, intentional misconduct or actions that contribute materially to any financial restatement (see "2012 Omnibus Plan" below).
- The Compensation Committee has engaged an independent compensation consultant that has no other ties to the company or its management.

The Role of Shareholder Say-on-Pay Votes. We provide our shareholders with the opportunity to cast an annual advisory vote on executive compensation (the "say-on-pay proposal") under U.S. securities laws in addition to binding say-on-pay votes required under Swiss law. At our Annual Shareholder Meeting held in May 2015, 98.9% of the votes cast were in favor of the say-on-pay proposal. The Compensation Committee believes this affirms our shareholders' support of our approach to executive compensation, and the committee did not change its approach in 2015. The Compensation Committee will continue to consider the outcome of the company's say-on-pay votes when making future compensation decisions for the NEOs and other senior officers at the company.

Compensation Oversight and Process

The Compensation Committee has established a number of processes to assist it in ensuring that NEO compensation is achieving its objectives. Among those are:

- Assessment of the company's performance on both an absolute and relative basis;
- Assessment of individual performance via interactions with the CEO and other NEOs;
- Engaging an independent compensation consultant that reports directly to the committee;
- Assessment of risks associated with the company's compensation programs;
- Pay-for-performance analysis;
- Assessment of benefits and perquisites;
- Analyzing the relationship of actual pay to performance; and

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- Total compensation review, which includes:
  - Benchmarking target pay levels for base salary, annual cash bonuses, long-term incentive compensation and total direct compensation;
  - Reviewing perquisites and contributions to retirement plans; and
  - Reviewing the design of the compensation programs, including goal-setting and calibrating the level of pay with performance.

In determining the level of compensation for the NEOs, both quantitative and qualitative factors of the company's and each NEO's performance are analyzed. The Compensation Committee primarily uses formulaic factors to assess company performance. However, due to the potential volatility of the insurance and reinsurance industry and thus the company's financial results, the Compensation Committee believes that it is appropriate to also use non-formulaic factors to assess company and individual performance.

Relationship Between Pay and Performance. The success of the company's business and resulting value for our shareholders is contingent upon our successfully selecting, pricing and managing insurance and reinsurance risks over the long-term. Our business requires that we assess, select and respond to identified market opportunities in a highly disciplined and cost-effective manner. To reinforce this approach, our executive compensation programs are designed to align executives' interests closely with shareholder interests by tying executive compensation directly to equity results, as well as to those financial and strategic results that drive shareholder value, including sustainable, profitable growth; high returns; efficient, risk-adjusted capital deployment; and the company's strategic positioning. In this regard, key features of our executive compensation programs include:

- A significant portion of target compensation being "at risk" (80% for the CEO and 72%, on average, for our other NEOs).
- A significant portion of target compensation linked to long-term performance (67% for the CEO and 44%, on average, for other NEOs).
- A balance of measures (mostly formulaic, with some non-formulaic) that encourage short-term actions that will benefit shareholders in the long-run.
- Use of performance measures in our annual cash bonus and equity incentive compensation programs that have been demonstrated analytically to be relevant to creating shareholder value, including EBIT, growth in book value, ROE, and in our corporate scorecard, combined ratio, which is a measure of our underwriting performance.
- Performance goals set at competitive levels.
- Linking the funding of the annual cash bonus pool to corporate results (with award allocation tied to individual results).

For 2015 performance year, the Compensation Committee reviewed an assessment conducted by Farient on the company's pay and performance alignment. Farient determined that the company's pay actions reflect a challenging 2015 performance year. As a result, cash bonuses were down over 70% from 2014 and new equity award grants were down substantially as well. Notwithstanding these results, the Compensation Committee determined that the company made significant progress in key areas of strategic importance, including further expansion in Asia; the successful integration of key acquisitions; adoption of enhanced risk management tools; scaling back on lines of business that have performed or are anticipated to perform poorly; and pursuing those lines of business that we believe best enable us to optimize profitability.

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Given our relative performance described in " Compensation Discussion and Analysis Executive Summary" above, as well as the Compensation Committee's philosophy that pay should be commensurate with performance, the committee determined that our CEO's total direct compensation should be reduced and positioned below the median of our Peer Group on a performance year basis, which includes 2015 salary, cash bonus for 2015 and the grant date value of the equity granted in February 2016 for 2015 performance. The Compensation Committee is committed to ensuring that CEO and other NEO compensation are appropriately aligned with performance, and will continue to monitor our pay-for-performance alignment as an input in making pay decisions.

Assessment of Individual Performance. All of our NEOs have specific objectives that are established at the beginning of each year. Each NEO's performance (other than our CEO's performance) is reviewed annually by Mr. Carmilani, our CEO, based on his individual skills and qualifications, management responsibilities and initiatives, staff development and the achievement of departmental, geographic and/or established business goals and objectives, depending on the role of the NEO. Each NEO's performance was assessed on both company and individual achievements in light of current market conditions. Mr. Carmilani's performance was reviewed by the Compensation Committee and was also assessed on both the company's achievements and his individual achievements in light of current market conditions in the insurance and reinsurance industry. In 2015, these performance reviews formed the basis on which compensation-related decisions were made for annual cash bonuses and grants of performance-based and time-vested RSU awards, as well as 2016 base salaries and target bonus opportunities.

Roles of the CEO and the Compensation Committee. The Compensation Committee recommends to the Board for approval the company's compensation programs and the total amount available for the base salaries, cash bonuses and equity-based compensation for the NEOs and the other executive officers as a group. The Compensation Committee also determines the company's compensation philosophy and objectives and sets the framework for the NEOs' compensation structure. Within this framework, Mr. Carmilani, our CEO, recommends to the Compensation Committee all aspects of compensation for each NEO, excluding himself. He reviews the recommendations, survey data and other materials provided to him by our Human Resources Department and Farient as well as proxy statements and other publicly available information of our industry peers. He also assesses the company's and each NEO's performance as described above. The conclusions and recommendations resulting from these reviews and consultations, including proposed salary adjustments, annual cash bonus amounts and equity award amounts, are then presented to the Compensation Committee for its review and consideration. The Compensation Committee has discretion to modify any recommendation it receives from Mr. Carmilani, but strongly relies on his recommendations.

The Board and NEO Interactions. The Board has the opportunity to meet with the NEOs regularly during the year. In 2015, the company's NEOs met with and made presentations to the Board regarding their respective business lines or responsibilities. The company believes that the interaction among its NEOs and the Board is important in enabling the Board, including the members of the Compensation Committee, to form its own assessment of each NEO's performance.

The Role of Our Independent Advisor. The Compensation Committee directed Farient to conduct analyses on key aspects of NEO and other senior officer pay and performance, and to provide recommendations about compensation plan design. Farient reports directly to the Compensation Committee and in 2015 did not provide any non-executive consulting services to the company that would require disclosure under SEC rules. Farient meets with members of senior management to gain a greater understanding of key issues facing the company and to review its cash and equity compensation programs. The Compensation Committee meets separately with Farient to review in detail all compensation-related decisions regarding the CEO as well as the structure of the company's compensation programs. During this review, the Compensation Committee also receives Farient's analyses of the Peer Group, NEO pay and performance for the company and its peers, a compensation risk assessment, analyses of compensation best practices and current compensation trends.

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The Compensation Committee has assessed the independence of Farient pursuant to SEC rules and concluded that no conflict of interest exists that would prevent Farient from serving as an independent advisor to the Compensation Committee.

Timing of Awards. The Compensation Committee believes that compensation decisions regarding employees should be made after year-end results have been determined to better align employee compensation with company performance and shareholder value. This requires that annual cash bonuses, equity awards and base salary adjustments be determined after year-end financials have been prepared and completed. The Compensation Committee's policy is to approve compensation decisions at its regularly scheduled meeting during the first quarter of the year.

Benchmarking. The Compensation Committee reviews our competitive pay positioning annually based on a report prepared by Farient. Farient compiles data on over 40 of our top positions, including our NEOs, using a number of nationally recognized surveys covering the property and casualty insurance and reinsurance industry as well as general industry surveys. In addition, Farient uses proxy data for the CEO and CFO positions from our Peer Group. Farient compiles data on base salaries, target annual bonus opportunities, target equity-based incentive compensation values and total direct compensation, which is the sum of all three components. The Compensation Committee uses this information as one input, among others, such as individual performance and retention requirements, for making compensation decisions regarding salary increases, target bonus opportunities and equity-based incentive compensation awards each year.

Peer Group. The Compensation Committee asks Farient to review the company's Peer Group on an annual basis. For 2015, the company's Peer Group is comprised of 13 insurance and reinsurance companies, selected primarily because they are similar to the company in terms of property and casualty insurance and reinsurance business mix; percentage of U.S. and non-U.S. business written; focus on specialty insurance; high-quality financial strength; and size, as measured by gross premiums written, total revenue and market capitalization. Farient uses the Peer Group for purposes of assessing total direct compensation for the CEO and CFO positions; program design, including measures and goals; pay practices; equity plan burn-rate and share overhang; business performance; an analysis of pay and performance; and Board compensation.

The 13 Peer Group companies used by the Compensation Committee as inputs for 2015 pay design and pay level decisions are as follows:

Peer Group

Arch Capital Group Ltd.	Markel Corporation
Argo Group International Holdings, Ltd.	The Navigators Group, Inc.
Aspen Insurance Holdings Limited	Pro Assurance Corporation
Axis Capital Holdings Limited	RLI Corp.
Endurance Specialty Holdings Ltd.	W. R. Berkley Corporation
The Hanover Insurance Group, Inc.	XL Group plc
HCC Insurance Holdings, Inc.[1]	

(1) HCC Insurance Holdings, Inc. was included in the company's Peer Group until June 30, 2015 prior to the closing of its acquisition by Tokio Marine Holdings, Inc. in October 2015.

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Assessment of Risks Associated with Compensation. The Compensation Committee has evaluated whether our compensation policies and programs encourage excessive risk taking. As part of this evaluation, the Compensation Committee reviewed a detailed compensation risk assessment conducted by Farient. In its assessment, Farient established both quantitative and qualitative criteria for assessing the company's compensation programs, and evaluated numerous elements of the company's pay mix, its compensation-related performance measurements, its governance and its processes and procedures that mitigate risk in its compensation programs. In addition to the above assessment, at the Compensation Committee's request, Farient also conducted a review of the pay programs and risk mitigation policies covering certain executives that have direct responsibility for decisions that impact the company's risk position. Based on these assessments, Farient concluded and the Compensation Committee concurred that the company's balanced pay and performance program coupled with its risk mitigation policies effectively prevent excessive risk taking.

Total Compensation Review. Each year, the Compensation Committee reviews a summary report or "tallysheet" prepared by the company for each NEO as well as the other executive officers. The purpose of a tallysheet is to show the aggregate dollar value of each officer's total annual compensation, including base salary, annual cash bonus, equity-based compensation, perquisites and all other compensation earned over the past two years. The tallysheet also shows amounts payable to each NEO upon termination of his employment under various termination scenarios. Tallysheets are reviewed by our Compensation Committee for informational purposes.

The table below reflects the process and philosophy by which the Compensation Committee calculated executive compensation in 2015 for our NEOs and is intended to assist shareholders in understanding the elements of total compensation as determined by the Compensation Committee. This information differs from the calculation of total compensation in accordance with the disclosure rules of the SEC, primarily by disclosing the grant date fair value of equity awards granted in 2016 for the prior year 2015 performance. A table further on in this Proxy Statement under the heading "Summary Compensation Table" reflects the SEC methodology. The following discussion describes the relationship between the amounts reported in the table below and those amounts reported in the Summary Compensation Table and related tables. While the table below is presented to explain how the Compensation Committee determines compensation, the table and its accompanying disclosure are not a substitute for the tables and disclosures required by the SEC's rules. The tables and related disclosures required by the SEC's rules begin on page 64.

Named Executive Officer	Base Salary(1)	Cash Bonus Paid in 2016 for 2015 Performance(2)	Time-Vested RSUs Granted in 2016 for 2015 Performance(3)(4)	Performance-Based Awards Granted in 2016 for 2015 Performance(3)(4)	2015 Total Compensation(5)
Scott A. Carmilani	$ 1,000,000	$ 500,000	$ 712,477	$ 2,137,496	$ 4,349,973
Thomas A. Bradley	$ 500,000	$ 210,000	$ 193,729	$ 581,253	$ 1,484,982
John R. Bender	$ 500,000	$ 220,000	$ 179,985	$ 540,021	$ 1,440,006
Wesley D. Dupont	$ 500,000	$ 210,000	$ 193,729	$ 581,253	$ 1,484,982
Frank N. D'Orazio	$ 500,000	$ 210,000	$ 193,729	$ 581,253	$ 1,484,982

(1) The base salary amounts set forth in this column represent the 2015 base salary rates for the applicable NEO.

(2) The amounts disclosed above in the "Cash Bonus Paid in 2016 for 2015 Performance" column represent cash bonuses earned under our 2016 annual cash bonus program with respect to 2015 performance that were paid in March 2016. In accordance with SEC disclosure rules, these payments are also set forth in the "Non-Equity Incentive Plan Compensation" column of the Summary Compensation Table below for 2015.

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(3)
As to equity compensation, the columns above reflect equity-based awards granted in the year for which they were awarded. Although the Compensation Committee granted time-vested RSUs and performance-based awards in 2016 with respect to the performance of the NEOs during 2015, under SEC rules these awards will be reflected in the Summary Compensation Table in our 2017 Proxy Statement.

(4)
The dollar values disclosed above in the "Time-Vested RSUs Granted in 2016 for 2015 Performance" column and "Performance-Based Awards Granted in 2016 for 2015 Performance" column have been calculated using a fair value as of February 22, 2016 of $32.88 per common share, the daily volume-weighted average sales price of the common shares for the 20 consecutive trading days up to and including the second trading day prior to such date. The amounts disclosed in the Stock Awards column of the Summary Compensation Table below reflect the full grant date fair value of awards issued in February 2015. In February 2016, Mr. Carmilani received 21,669 RSUs and 65,009 performance-based awards; Mr. Bradley received 5,892 RSUs and 17,678 performance-based awards; Mr. Bender received 5,474 RSUs and 16,424 performance-based awards; Mr. Dupont received 5,892 RSUs and 17,678 performance-based awards; and Mr. D'Orazio received 5,892 RSUs and 17,678 performance-based awards. For the RSU awards and the performance-based awards, the NEOs will receive 80% in common shares and 20% in cash on the applicable vesting date. For more information on these equity-based awards, please see " 2016 Equity-Based Compensation 2016 Equity Awards".

(5)
The amounts disclosed in the table above under the heading "2015 Total Compensation" and the amounts reported in the Total column of the Summary Compensation Table below differ for two principal reasons. The first is due to the SEC's disclosure requirements with respect to equity awards, as described above in footnote 3 to this table. The second is that the Total column in the Summary Compensation Table includes other amounts of compensation deemed by the SEC's disclosure rules to have been earned in 2015, including certain other compensation that the Compensation Committee does not consider conceptually as a component of total compensation, as such amounts are viewed by the Compensation Committee as either de minimis or provided to all employees (such as company contributions under the company's 401(k) plan) or a necessary result of certain of our executive officers being located outside the United States and not related to an executive's performance with respect to a given year.

2015 Cash Compensation

2015 Base Salaries. As part of its assessment in late 2015 in preparation for pay actions in early 2016, the Compensation Committee determined that our CEO's and NEOs' annual base salaries were at approximately the 50th percentile of the market and that no change in salaries was warranted. In addition, the Compensation Committee determined that Messrs. Bradley, Bender, Dupont and D'Orazio continue to be positioned similarly to one another at approximately one-half of the CEO's salary. The Compensation Committee made this decision in order to (i) achieve its objective of internal equity; (ii) position average salaries between the 50th and 75th percentiles of the market; and (iii) avoid the need to increase salaries annually, unless dictated by significant competitive or internal considerations. Annual base salaries for the CEO and the other NEOs have not been increased in the last three years.

2015 Annual Cash Bonus. The company has established a structured, yet flexible, cash bonus program that has two facets: (1) an overall cash bonus pool that is funded based on the company's financial and qualitative performance and (2) a process by which the overall cash bonus pool is allocated to individuals based on individual target awards and performance. As in prior years, a target bonus percentage was established in February 2015 for each employee, including the NEOs, who were eligible to participate in the plan. The CEO's target bonus as a percentage of salary was based on the Compensation Committee's competitive assessment of the market and was set to be commensurate with the market. The target bonus as a percentage of salary for the other NEOs was set with the view that there should be a reasonable separation between the percentages for the CEO and the other NEOs, and that the target bonus percentages for all other NEOs should be the same given the relative importance and impact of each NEO's role. Target bonus percentages for the NEOs and other senior

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officers were recommended by the CEO and approved by the Compensation Committee. The CEO's target bonus percentage was determined solely by the Compensation Committee.

Our NEOs were eligible to receive an annual cash bonus based on a percentage of their annual base salary as follows:

Name	2015 Bonus Target Percentage
Scott A. Carmilani	120%
Thomas A. Bradley	100%
John R. Bender	100%
Wesley D. Dupont	100%
Frank N. D'Orazio	100%

The methodology used to determine the 2015 annual cash bonus pool from which individual bonuses were paid is shown below:

2015 Annual Cash Bonus Plan