

# **W. R. BERKLEY CORPORATION**

## **Corporate Governance Guidelines**

### **General Philosophy**

The business and affairs of W. R. Berkley Corporation (the “Company”) shall be managed by or under the direction of its Board of Directors in accordance with Delaware law. In performing their duties, the primary responsibility of directors is to exercise their business judgment in the best interests of the Company and its stockholders. The focus of the Board should be on optimizing the performance of the Company’s business and maximizing long-term stockholder value. The Board of Directors has delegated to management the responsibility to manage the operations of the Company, and to establish the Company’s strategic direction, subject to its approval. In order to help ensure the effective operation of the Company’s business, the Board encourages open communications among all members of the organization to foster an environment that promotes open dialogue and entrepreneurship.

To fulfill its responsibilities and to discharge its duties, the Board of Directors sets high standards for the Company’s employees, officers and directors and follows the procedures and standards that are set forth in these guidelines. These guidelines are subject to modification from time to time as the Board of Directors deems appropriate in the best interests of the Company or as required by applicable laws and regulations.

### **Board of Director Functions**

The Board of Directors, by itself or through its Committees, shall:

- Review corporate performance
- Oversee and evaluate management’s systems for internal control, financial reporting and public disclosure
- Establish corporate governance standards
- Oversee and evaluate senior management performance and compensation
- Plan for effective succession of the chief executive officer and senior management
- Set standards for director qualifications
- Support director orientation and continuing education
- Undertake an annual performance evaluation of the Board of Directors
- Consider the resignation tendered by any incumbent director that is nominated for election and not reelected at an Annual Meeting of the Company’s stockholders

## **Director Qualifications**

The Board of Directors is responsible for reviewing, on an annual basis, the requisite skills and characteristics of members of the Board of Directors. This assessment will include independence, business, strategic and financial skills and other experience in the context of the needs of the Board of Directors as a whole, as well as a director's service on the boards of other public companies. Nominees for directors will be recommended by the Nominating and Corporate Governance Committee for selection by the Board of Directors, in accordance with these Corporate Governance Guidelines.

### Independence

A majority of the members of the Board of Directors must be independent directors, as such term is defined by the rules of the exchange on which the Company's stock is listed. No director shall qualify as "independent" unless the affirmative vote of a majority of the Board of Directors determines that the director satisfies the requirements for independence in accordance with the rules of the exchange on which the Company's stock is listed.

In applying these standards, the Board of Directors as a whole shall consider the issue not merely from the standpoint of the director, but also from that of persons or organizations with which the director has an affiliation. Material relationships can include, among others, commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships.

### Director Qualities

Directors should demonstrate the following qualities:

- Each director should bring to the Company a range of experience, knowledge and judgment.
- Directors should have relevant business or other appropriate experience.
- Directors should maintain an acceptable level of attendance, preparedness and participation with respect to meetings of the Board of Directors and its committees.
- The director should demonstrate competence in one or more of the following areas: accounting or finance, business or management experience, insurance or investment industry knowledge, crisis management, or leadership and strategic planning.
- Only independent directors may serve on the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee.

## **Director Responsibilities**

Directors must exercise sound business judgment and act in what they reasonably believe to be the best interests of the Company and its stockholders. In discharging this obligation, directors may reasonably rely on the honesty and integrity of the Company's management as well as that of its independent auditors.

The Company may purchase directors' and officers' liability insurance for the benefit of its Board of Directors and management. In addition, directors and management shall be entitled to indemnification to the fullest extent permitted by the Delaware General Corporation Law and the Company's charter documents.

In order to oversee effectively the management of the Company, all directors are expected to attend meetings of the Board of Directors and meetings of committees of the Board of Directors of which they are members. Directors are expected to be prepared for these meetings and to be able to devote the time required. Information and data that are important to the understanding of the business to be conducted at a Board of Directors or committee meeting will generally be distributed in advance of the meeting.

### Executive Sessions of the Board of Directors

The Board of Directors shall hold regular executive sessions without management directors. A presiding director, or a method for selecting a presiding director, for all such meetings will be established by the Board of Directors.

### Communications with Non-Management Members of the Board of Directors

An employee, officer or other interested party who has an interest in communicating with non-management members of the Board of Directors may do so by directing the communication to the Corporate Secretary. Persons who desire to communicate with the non-management directors should send their correspondence addressed to the attention of the Corporate Secretary, c/o W. R. Berkley Corporation, 475 Steamboat Road, Greenwich, Connecticut 06830. The Corporate Secretary will provide a summary of all appropriate communications to the addressed non-management directors.

### Board of Directors Committees

The Board of Directors will maintain an Audit Committee, a Compensation Committee, a Nominating and Corporate Governance Committee and such other committees as it determines is appropriate.

Each of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee shall have written charters. These charters will address each committee's purpose, duties, goals and responsibilities as well as qualifications for committee membership, committee structure and operations, and committee reporting to the Board of Directors.

The Board of Directors and each committee shall have the power to engage independent legal, financial or other advisors as it may deem necessary, without consulting or obtaining the approval of the Board of Directors or Company management in advance.

The Audit Committee shall assist the Board of Directors in monitoring (1) the integrity of the financial statements of the Company, (2) the independent registered public accounting firm's qualifications and independence, (3) the performance of the Company's internal audit function and independent registered public accounting firm, and (4) the compliance by the Company with legal and regulatory requirements.

The Compensation Committee shall assist the Board of Directors in discharging its responsibilities to stockholders regarding compensation of the Company's senior executive officers and Directors. The Committee has overall responsibility for discharging the Board's responsibilities relating to the compensation of the Company's senior executive officers and Directors.

The Nominating and Corporate Governance Committee shall assist the Board of Directors in (1) identifying individuals qualified to become members of the Board (consistent with criteria approved by the Board), (2) recommending the Board select the director nominees for the next annual meeting of stockholders or for other vacancies on the Board, (3) overseeing the evaluation of the Board and management, (4) reviewing the corporate governance guidelines and the corporate code of ethics and (5) generally advising the Board on corporate governance and related matters.

### **Director Access to Management and to Select Outside Advisors**

Directors have full and free access to management and the right, if necessary and appropriate, to select appropriate independent advisors. Any meetings or contacts that a director wishes to initiate should be arranged through the chief executive officer, unless, due to the nature of the issue, to do so would not be appropriate. In such instance, the arrangements may then be made in some other manner. Directors should use their judgment to ensure that any such contact is not disruptive to the Company's business operations.

### **Director Compensation**

The form and amount of director compensation shall be determined by the Board of Directors. All compensation paid to non-employee directors must relate to their service as directors. This compensation may include an annual retainer, a fee for meetings of the Board of Directors or committees of the Board of Directors attended, equity-based compensation and reimbursement for reasonable expenses related to their service as directors. Directors may receive such compensation in the form of the Company's common stock or as participants in common stock based programs. The Board of Directors will review the Company's director compensation at least on an annual basis.

All new equity-based compensation programs for directors, employees or service providers must be approved by the stockholders of the Company in accordance with the rules of the exchange on which the Company's stock is listed. For purposes of this requirement, equity-based

compensation programs shall include any new stock option plan, a material amendment to an existing plan or any new stock grant not under a previously or future approved plan.

In order to maintain independence for members of the Audit Committee, members of the Audit Committee may not directly or indirectly receive fees or other compensation from the Company for services as a consultant, legal advisor or financial advisor, regardless of the amount. Due to the Audit Committee's time commitment and responsibilities, Audit Committee members may receive reasonable fees and compensation that are greater than those paid to other directors.

### **Director Orientation and Continuing Education**

All new directors will be provided with a comprehensive set of materials on the operations and finances of the Company and shall have the opportunity to meet informally with members of senior management. All directors will be supported in their endeavors to receive ongoing education in subjects relevant to their duties as a director and the business of the Company.

### **Director Election Procedures**

As provided in the Company's by-laws, directors shall be elected at the Annual Meeting of the Company's stockholders and each director elected shall hold office until his or her successor is elected and qualified. If an incumbent director is nominated for election and not reelected, the director shall promptly tender his or her resignation in writing to the Board, subject to acceptance by the Board.

The Company's Nominating and Corporate Governance Committee, or other committee responsible for nominating and governance matters, shall consider such resignation and recommend to the Board the action to be taken with respect to such resignation. Within 90 days following certification of the election results, the Board shall act on the tendered resignation. In determining whether or not to accept the tendered resignation, the Board shall consider any recommendation by the applicable committee, the factors considered by the applicable committee and any additional information and factors that the Board believes to be appropriate and relevant. No director who so submits his or her resignation shall participate in the deliberations or decisions of the committee or the Board regarding such director's resignation.

If the submitted resignation is not accepted by the Board, the Board shall publicly disclose its reasons for not accepting the resignation, and the director shall continue to serve until his or her successor is duly elected, or his or her earlier resignation or removal. If a director's resignation is accepted by the Board, or if a nominee for director is not elected by the Company's stockholders, then the Board, in its sole discretion, may fill any resulting vacancy in accordance with the by-laws.

### **Management Succession**

The Board of Directors shall undertake appropriate succession planning for the Chief Executive Officer of the Company, including policies and principles for selection and performance review for the Chief Executive Officer, as well as policies regarding succession in case of emergency or the retirement of the Chief Executive Officer.

## **Annual Performance Evaluation**

The Board of Directors and each committee of the Board of Directors will conduct an annual self-evaluation to determine whether they are functioning effectively. The reviews will focus on the performance of the Board of Directors as a whole, the performance of each director individually, and the performance of each committee.

A copy of these Corporate Government Guidelines, as well as the charters of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee, will be made available on the Company's website at [www.wrberkley.com](http://www.wrberkley.com).