



## **COMPENSATION COMMITTEE CHARTER**

### **I. Purpose**

The Compensation Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of James River Group Holdings, Ltd. (the “Company”) to assist the Board of Directors with reviewing the performance of Company management in achieving corporate goals and objectives and assuring that executives of the Company are compensated effectively in a manner consistent with the strategy of the Company, competitive practice and the requirements of the appropriate regulatory bodies. Toward that end, the Committee will make recommendations to the Board regarding director and executive officer compensation, equity-based compensation plans and executive benefit plans, and do such other things as are set forth in this Charter.

### **II. Committee Membership**

The Committee shall consist of no less than two directors. The members of the Committee shall be appointed by the Board and may be removed or replaced by the Board at any time. Unless a Chairman is selected by the Board, the members of the Committee may designate a Chairman.

Each Committee member shall meet the independence requirements of the Nasdaq Stock Market and shall be free from any relationship that, in the opinion of the Board, would interfere with the exercise of independent judgment in connection with the duties as a Committee member. Additionally, in determining membership of the Committee, the Board may consider, among other things, whether a prospective member meets the definition of (i) a “non-employee director” within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and (ii) an “outside director” within the meaning of Section 162(m) of the Internal Revenue Code.

### **III. Meetings**

The Committee shall meet as often as the Committee deems necessary to perform the Committee’s responsibilities. Meetings may be called by the Chairman of the Committee and/or by the management of the Company. The Chief Executive Officer may not be present during voting or deliberations on the Chief Executive Officer’s compensation. At all meetings of the Committee, a majority of the Committee members shall be necessary to constitute a quorum for the transaction of business.

### **IV. Committee Duties and Responsibilities**

The Committee shall:

- review and consider corporate goals and objectives relevant to Chief Executive Officer compensation, evaluate the Chief Executive Officer’s performance in light of those goals and objectives, and make recommendations to the Board with respect to the total compensation

package, including salary, bonus, stock options and other equity grants, benefits and other compensation arrangements, for the Chief Executive Officer;

- make recommendations to the Board with respect to all elements of the compensation of, and oversee the evaluation process for, all executive officers of the Company (other than the Chief Executive Officer);
- make recommendations to the Board of Directors with respect to the Company's incentive or equity-based compensation plans;
- administer the Company's incentive compensation plans and equity-based plans;
- review board compensation and make recommendations with respect thereto to the Board of Directors;
- review and discuss with the Company's management the Company's Compensation Discussion and Analysis, if required by the rules promulgated by the U.S. Securities and Exchange Commission (the "SEC Rules") to be included in the Company's annual report or proxy statement, and additionally, produce the annual Compensation Committee Report for inclusion in the annual report or proxy statement of the Company to the extent required by the SEC Rules;
- review with management the Company's major compensation-related risk exposures and the steps management has taken, or should consider taking, to monitor or mitigate such exposures;
- make recommendations to the Board with respect to the adoption of stock ownership guidelines for the Chief Executive Officer and other executive officers and monitor compliance with such guidelines;
- report to the Board of Directors regularly regarding issues that arise in connection with the performance of its responsibilities outlined herein;
- review and reassess the adequacy of this Charter on an annual basis and recommend any proposed changes to the Board for approval; and
- perform any other activities required by applicable law, rules or regulations, including the SEC Rules and regulations and the Nasdaq listing rules, and take such other actions and perform and carry out any other responsibilities and duties delegated to it by the Board or as the Committee deems necessary or appropriate consistent with its purpose.

#### V. Other Matters.

The Committee and its members shall have unrestricted access to management. The Committee shall have sole discretion, in its areas of responsibility, at Company expense, to retain or obtain the advice of a compensation consultant, legal counsel or other adviser. The Committee shall be responsible for the appointment, compensation and oversight of the work of any such compensation consultant, legal counsel and other adviser retained by the Committee, and the Company shall provide appropriate funding for payment of reasonable compensation to any such compensation consultant, legal counsel or any other adviser retained by the compensation

committee. The Committee may select and receive advice from a compensation consultant, external legal counsel or other adviser only after taking into consideration of the factors enumerated in Nasdaq Rule 5605(d)(3) or any successor rule thereto. However, such factors need not be considered when selecting a compensation consultant, legal counsel or other advisor whose role is limited to (a) consulting on any broad-based plan that does not discriminate in scope, terms or operation, in favor of executive officers or directors of the Company, and that is available generally to all salaried employees; and (b) providing information that is not customized for the Company or that is customized based on parameters that are not developed by the adviser, and about which the adviser does not provide advice.

Should any member of the Committee believe that participation of management or independent advisors in any discussion of a particular subject at any meeting would be advisable, they are free to make such request.

The Committee may, when appropriate in its discretion, delegate authority with respect to specific matters to one or more members, provided that all decisions of any such members are presented to the full Committee at its next scheduled meeting.