

**EVEREST RE GROUP, LTD.**  
**AUDIT COMMITTEE OF THE BOARD OF DIRECTORS**

**CHARTER**

**I. PURPOSE**

The primary function of the Audit Committee is to assist the Board of Directors in its oversight of the integrity of the Company's financial statements, the Company's compliance with legal and regulatory requirements, the independent auditor's qualifications and independence, and the performance of the Company's internal audit function and independent auditor. The Audit Committee shall prepare the report required by the rules of the Securities and Exchange Commission (the "SEC") to be included in the Company's annual proxy statement.

The Audit Committee will primarily fulfill these responsibilities by carrying out the activities enumerated in Section IV of this Charter.

**II. COMPOSITION**

The Audit Committee shall be comprised of at least three (3) directors as determined by the Board, each of whom has been affirmatively determined by the Board to have no material relationship with the Company and shall otherwise meet the independence requirements of the New York Stock Exchange Listing Standards (the "NYSE"), all applicable securities laws and the rules and regulations of the SEC. All members of the Committee shall have a working familiarity with basic finance and accounting practices, with at least one member who has been determined by the Board to qualify as a "financial expert" as defined by applicable legislation and regulation.

If a Committee member serves simultaneously on the audit committees of more than two other public companies, the Board must determine that such simultaneous service would not impair the ability of such member to serve effectively on the Company's Audit Committee.

**III. MEETINGS**

The Committee shall hold regularly scheduled meetings at least three (3) times a year in conjunction with the regularly scheduled Board meetings. The Committee should also meet periodically with management, the director of the internal audit department and the independent auditors in separate executive sessions to discuss any matters that the Committee or these individuals believe should be discussed privately. In addition, the Committee should hold such other special meetings as may be appropriate under the circumstances.

**IV. RESPONSIBILITIES AND DUTIES**

To fulfill its responsibilities and duties the Audit Committee shall:

**Financial Reporting**

1. Monitor significant accounting and reporting issues, including professional and regulatory pronouncements, and understand their impact on the Company's financial statements.
2. Review and discuss the Company's annual audited financial statements and quarterly financial statements with management and the independent auditor, including the Company's disclosures for SEC filing purposes. Discuss those matters described in AU 380 – The Auditor's Communication With Those Charged With Governance, as they relate to annual and interim financial information, as soon as practicable following the close of each fiscal quarter.
3. Discuss with management the Company's earnings press releases, as well as financial information and earnings guidance, if any, which is included in press releases provided to analysts and ratings agencies.
4. Discuss with the independent auditors their judgments about the acceptability and quality of the Company's accounting principles as applied in its financial reporting; the discussion should include such issues as:
  - Selection of new or changes to the Company's accounting or auditing principles and practices
  - Estimates, judgments and uncertainties
  - Unusual transactions
  - Accounting policies relating to significant financial items, including the timing of transactions and the period in which they are recorded
5. Following completion of the annual audit, review separately with each of management, the independent auditor and the internal auditing department any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information. On a periodic basis, meet separately with management, with internal auditors and with the independent auditors.
6. Review any significant disagreement among management and the independent auditor in connection with the preparation of the financial statements.
7. Advise the Board whether, based on review and discussions with management and the independent auditor, the Committee would recommend that the audited financial statements be included in the Annual Report on Form 10-K for the last fiscal year for filing with the Securities and Exchange Commission.
8. Review with the independent auditor, the internal auditing department and management the extent to which changes or improvements in financial or accounting practices, as discussed with the Audit Committee, have been implemented.

### **Independent Auditor**

9. Retain and terminate the Company's independent auditor. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of the independent auditor, including the resolution of disagreements regarding financial reporting with management and the auditor engaged for the purpose of preparing or issuing an audit report or related work. The independent auditor shall report directly to the Committee.

10. Preapprove all auditing services and permitted non-audit services, including the fees and terms thereof, to be performed for the Company by the independent auditor, subject to the de minimus exceptions for non-audit services, as defined by applicable legislation, which are approved prior to completion of the audit.

11. Receive and review on an annual basis a formal written statement from the independent auditor delineating all relationships with the Company and discuss with the independent auditor any disclosed relationships or services that may impact their objectivity and independence and, if so determined, take appropriate action to satisfy itself of the auditor's independence.

12. Receive and review on an annual basis a report from the independent auditor describing the firm's internal quality control procedures; any material issues raised by the most recent quality control review or peer review of the firm or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm and any steps taken to deal with such issues.

13. Recommend to the Board clear policies for the Company's hiring of employees or former employees of the independent auditors.

14. Periodically consult with the independent auditor outside the presence of management, about internal controls and the quality and acceptability of the organization's financial statements and any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information and management's response.

### **Internal Audit**

15. Review the results of the internal audit department and meet periodically with the director of internal audit to review implications for the Company's system of internal controls.

16. In consultation with the independent auditor and the internal auditors, review the integrity of the organization's financial reporting processes, both internal and external.

17. Review activities, organizational structure, and qualifications of the internal audit department.

### **Monitoring / Compliance**

18. Review and reassess the adequacy of this Charter on an annual basis and recommend any proposed changes to the Board for approval.

19. Prepare the report required by the rules of the Securities and Exchange Commission to be included in the Company's proxy statement.

20. Conduct or authorize investigations into any matters within the Committee's scope of responsibilities. The Committee shall be empowered to retain independent counsel, accountants or others to assist it in the conduct of any investigation.

21. Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management guidelines and policies established to govern the process.

22. Review management's monitoring of compliance with the Company's Ethics Guidelines, and ensure that management has the proper review system in place to ensure that the Company's financial statements, reports and other financial information disseminated to governmental organizations and the public satisfy legal requirements.

23. Review with the Company's counsel legal compliance matters including corporate securities trading policies.

24. Review with the Company's counsel any legal matter that could have a significant impact on the Company's financial statements.

25. Establish procedures for the receipt, treatment and retention of complaints received by the Company regarding accounting, internal controls and auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

26. Perform any other activities consistent with this Charter, the Company's Bye-laws and governing law, as the Committee or the Board deems necessary or appropriate.

27. Report to the Board following the meetings of the Committee.

28. Maintain minutes or other records of meetings and activities of the Committee.

29. Monitor the policies and procedures in effect for the review of officers' expenses and perquisites.

30. Review and discuss with management the findings of any examination conducted by regulatory agencies.

### **Performance Evaluation**

31. Annually evaluate the Committee's and individual member's performance.