XL GROUP PLC
Form DEF 14A
March 12, 2012

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

SCHEDULE 14A

(Rule 14a-101)

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

Filed by the Registrant [X]

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Check the appropriate box:

[ ] Preliminary Proxy Statement

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[X] Definitive Proxy Statement

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[ ] Soliciting Material Pursuant to §240.14a-12

XL GROUP

Public Limited Company
(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):

[X] No fee required.

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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):

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1) Amount Previously Paid:

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4) Date Filed:

XL GROUP PLC
No. 1 Hatch Street Upper, 4th Floor, Dublin 2, Ireland

NOTICE OF ANNUAL GENERAL MEETING OF HOLDERS OF ORDINARY SHARES TO BE HELD ON FRIDAY, APRIL 27, 2012

Dublin, Ireland

March 12, 2012

To the Holders of Ordinary Shares of XL Group plc:

Notice is hereby given that the Annual General Meeting of holders of ordinary shares of XL Group plc (the Company) will be held at The Westbury Hotel, located at Grafton Street, Dublin 2, Ireland, on Friday, April 27, 2012 at 8:30 a.m. local time for the following purposes:

1. To elect, by separate resolutions, four Class II Directors to hold office until 2015;

2. To ratify the appointment of PricewaterhouseCoopers LLP to act as the independent registered public accounting firm of the Company for the year ending December 31, 2012, and the authorization of the Audit Committee of our Board of Directors to fix the remuneration of PricewaterhouseCoopers LLP;

3. To provide a non-binding, advisory vote approving the Company s executive compensation; and

4. To transact such other business as may properly come before the meeting or any adjournments thereof.

Only shareholders of the Company at the close of business on March 7, 2012 are entitled to notice of, and to vote at, the annual meeting. For instructions on voting, please refer to the instructions on the enclosed proxy card.

By Order of The Board of Directors,

Kirstin Gould
Secretary

Important Notice Regarding the Availability of Proxy Materials for the Annual General Meeting of shareholders to be held on April 27, 2012. Our Proxy Statement for the 2012 Annual General Meeting of shareholders and the Annual Report to shareholders for the fiscal year ended December 31, 2011 are available at *www.envisionreports.com/XL* if you are a shareholder of record, and *www.edocumentview.com/XL* if you are a beneficial owner.

Your vote is important. Whether or not you plan to attend the 2012 Annual General Meeting of shareholders, please vote as promptly as possible by telephone, through the internet or by requesting a paper proxy card to complete, sign and return by mail.

XL GROUP PLC

PROXY STATEMENT FOR THE ANNUAL GENERAL MEETING OF HOLDERS OF ORDINARY SHARES TO BE HELD ON APRIL 27, 2012

GENERAL INFORMATION

The accompanying proxy is solicited by the Board of Directors of XL Group plc to be voted at the Annual General Meeting of holders (shareholders) of the Company s ordinary shares (the shares) to be held on April 27, 2012 and any adjournments thereof. Pursuant to the rules of the U.S. Securities and Exchange Commission (the SEC), the Company has elected to provide access to its proxy materials over the internet, except that hard copy versions of such materials will be provided to shareholders pursuant to their previous request. Accordingly, the Company is sending the Notice of Internet Availability of Proxy Materials (the Notice) to shareholders. The Notice, the Proxy Statement, the Notice of Annual General Meeting and the proxy card are first being made available to shareholders on or about March 12, 2012. The Company has made available with this Proxy Statement the Company s Annual Report on Form 10-K (the Annual Report to Shareholders), although the Annual Report to Shareholders should not be deemed to be part of this Proxy Statement. All shareholders will have the ability to access the proxy materials on a website referred to in the Notice. Upon request, shareholders may also request to receive a printed set of the proxy materials. In addition, shareholders may specify how they would prefer to receive proxy materials in the future, including receiving proxy materials by e-mail or in hard copy format. By sending you the proxy materials over the internet or by e-mail, the Company saves the cost of printing and mailing documents to you and reduces the impact of the Company s annual meetings on the environment. If you elect to receive future proxy materials by e-mail, you will receive an e-mail with instructions containing a link to those materials and a link to the proxy voting website. Your election to receive proxy materials by e-mail will remain in effect until you terminate it. Additionally, if you choose to receive future proxy materials by mail, your election to receive proxy materials by mail will remain in effect until you terminate it.

When such proxy is properly executed, the shares it represents will be voted at the meeting on the following proposals: (1) the election of the four nominees for Class II Directors identified herein; (2) the ratification of the appointment of PricewaterhouseCoopers LLP to act as the independent registered public accounting firm of the Company (the independent auditor) and the authorization of the Audit Committee of our Board of Directors to fix the remuneration of the independent auditor for the year ending December 31, 2012; and (3) approval of the Company s executive compensation through a non-binding (advisory) vote.

Any shareholder giving a proxy has the power to revoke it prior to its exercise by giving notice of such revocation to the Secretary of the Company in writing to XL Group plc, One Bermudiana Road, Hamilton HM 08, Bermuda, by attending and voting in person at the Annual General Meeting or by executing a subsequent proxy, provided that such action is taken in sufficient time to permit the necessary examination and tabulation of the subsequent proxy or revocation before the votes are taken.

Shareholders of record as of the close of business on March 7, 2012 will be entitled to vote at the Annual General Meeting. As of March 7, 2012, there were 315,413,754 outstanding shares entitled to vote at the Annual General Meeting, with each share entitling the holder of record thereof to one vote at the Annual General Meeting (subject to certain limitations set forth in the Company s Articles of Association see footnote 1 to the table included under the heading Security Ownership of Certain Beneficial Owners, Management and Directors).

Under the law applicable to Irish companies, we are required to provide you with our Irish Statutory Accounts for our 2011 fiscal year, including the reports of our Directors and auditors thereon, which accounts have been prepared in accordance with Irish law. The Irish Statutory Accounts are available on the Company s website at *www.xlgroup.com/financialreports/irish2011* and will be laid before the Annual General Meeting. Other than the presentation of the Company s 2011 financial statements and the minutes of the 2011 Annual General Meeting, the Company knows of no specific matter to be brought before the Annual General Meeting that is not referred to in the Notice of Annual General Meeting. If any such matter comes before the Annual General Meeting, including any shareholder proposal properly made, the proxy holders intend to vote proxies in accordance with their judgment.

Each of the election of each nominee for Director; ratification of the appointment of, and authorization of the Audit Committee of our Board of Directors to fix the remuneration of, the independent auditor; and approval of executive compensation on a non-binding, advisory basis require an affirmative vote of a majority of the votes cast on such proposal at the Annual General Meeting, provided there is a quorum (consisting of two or more shareholders present in person or by proxy and holding shares representing at least fifty percent (50%) of the issued shares carrying the right to vote at the Annual General Meeting). For purposes of determining a quorum, abstentions and broker non-votes present in person or by proxy are counted as represented. Although the advisory vote approving the Company s executive compensation is non-binding, the Board intends to carefully consider the results of this vote and, to the extent there is any significant negative vote, it intends to consult directly with shareholders as necessary to better understand the concerns that influenced the vote.

With respect to proposal I, the election of Class II Directors, and proposal III, a non-binding (advisory) vote approving the Company s executive compensation, abstentions and broker non-votes with respect to such proposals will not be considered votes cast with respect to such proposals. Therefore, abstentions and broker non-votes will have no effect on the outcome of those proposals.

With respect to proposal II, the ratification of the appointment of the independent auditor, shares owned by shareholders electing to abstain from voting on a proposal will not be considered votes cast with respect to such proposal and, therefore, will have no effect on the outcome of the proposal.

On July 1, 2010, XL Group plc and XLIT Ltd. (formerly known as XL Capital Ltd) completed a redomestication transaction in which all of the ordinary shares of XLIT Ltd. were exchanged for all of the ordinary shares of XL Group plc. For periods prior to July 1, 2010, references herein to the Company are to XLIT Ltd. For periods on and subsequent to July 1, 2010, references herein to the Company are to XL Group plc.

XL GROUP PLC
PROXY STATEMENT

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PROPOSALS UNDER VOTE

I. ELECTION OF DIRECTORS

At the Annual General Meeting, four Class II Directors are to be elected to hold office until the 2015 Annual General Meeting of shareholders. All of the nominees are currently serving as Directors and were appointed or elected in accordance with the Company s Articles of Association. The persons designated as proxies will vote FOR the election of each of the nominees, unless otherwise directed. All of the nominees have consented to serve if elected, but if anyone becomes unavailable to serve, the persons named as proxies may exercise their discretion to vote for a substitute nominee.

The name, principal occupation and other information concerning each nominee and each continuing Director, including the reasons for the view of the Board of Directors (sometimes hereinafter referred to as the Board) that each of the nominees for election, and each of the continuing directors, should serve as directors at this time, are set forth below.

Director Nominees

Class II Directors whose terms will expire in 2015:

Ramani Ayer, age 64, was appointed as a Director of the Company in February 2011 after review of a number of candidates recommended by the Board s search consultant. Previously, Mr. Ayer served as the Chairman of the board and Chief Executive Officer (CEO) of Hartford Financial Services Group Inc. (The Hartford) from February 1997 to October 2009. In addition, Mr. Ayer is the former Chairman of the American Insurance Association, the Property & Casualty CEO Roundtable and the Insurance Services Office. He is currently Chairman of the Hartford Healthcare Corporation and a member of the boards of the Maharishi University of Management and the David Lynch Foundation. Previously, he also served as a member of the board and Chairman of the Hartford Hospital.

During his 36 year career with The Hartford, Mr. Ayer held progressively senior roles until 2009. Mr. Ayer s long tenure as the Chairman of the board and CEO of The Hartford, during which time he built the company into a recognized leader in property and casualty insurance, provides him a wealth of experience with respect to the varied and complex issues that confront large (re)insurers such as the Company. In particular, Mr. Ayer s vast knowledge and experience in the property and casualty space complement the existing expertise of the Board and benefit the Company as it continues to build on its solid foundation, global platform and depth of underwriting talent.

Dale R. Comey, age 70, has been a Director of the Company since November 2001. Mr. Comey served as alternate lead director of the Board from February 2008 to April 2009. Mr. Comey was a director of St. Francis Hospital and Medical Center, Hartford, Connecticut from 1988 to 2006. Prior to his retirement, Mr. Comey was Executive Vice President at the corporate headquarters of the ITT Corporation from 1990 to 1996, where he was responsible for directing the operations of several ITT business units, including ITT Hartford and ITT Financial Corporation. From 1988 to 1990, Mr. Comey was President of ITT Hartford s Property & Casualty Insurance Business.

Mr. Comey brings an actuarial background and extensive operational and business leadership skills to the Board. Through his experience serving in various senior leadership positions with ITT Corporation, he has first-hand knowledge of the varied and complex financial, operational and governance issues that confront large (re)insurers such as the Company. This experience makes him well-suited to serve as Chair of the Nominating, Governance and External Affairs Committee. In addition, Mr. Comey s experience gained from serving as a director of a non-profit institution adds to the depth and breadth of his knowledge of operational, strategic and governance issues that may confront the Company.

Robert R. Glauber, age 72, has been the non-executive Chairman of the Board since April 2009 and a Director of the Company since September 2006, having originally served on the Company s Board from 1998 to May 2005. Mr. Glauber served as lead director of the Board from February 2008 to April 2009. Mr. Glauber is presently a Lecturer at the Harvard Kennedy School of Government. Most recently, Mr. Glauber served as CEO of the National Association of Securities Dealers, Inc. from November 2000 to August 2006 and, in addition, as Chairman from September 2001 to August 2006. Mr. Glauber is currently the Chairman of the board of directors of Northeast Bancorp, a director of Moody s Corporation and a trustee and Vice Chairman of the International Financial Reporting Standards Foundation. He previously served on the boards of the Federal Home Loan Mortgage Corp. (Freddie Mac), Quadra Realty Trust, the Federal Reserve Bank of Boston, a number of Dreyfus mutual funds and the Investment Company Institute. From 1989 to 1992, he served as Under Secretary of the Treasury for Finance and, prior to that, was a Professor of Finance at the Harvard Business School. He is a Senior Advisor to Peter J. Solomon Company.

Mr. Glauber s strong management background in both the public and private sectors, and his expertise in financial services regulation, public policy and corporate governance provide him the consensus-building and leadership skills necessary to chair the Board. In addition, Mr. Glauber s variety of experience serving as a director of several large financial companies adds to the depth and range of his contribution to the Board.

Suzanne B. Labarge, age 65, was appointed as a Director of the Company in October 2011 after review of a number of candidates recommended by the Board s search consultant. From February 1999 until her retirement in December 2004, Ms. Labarge served as the Vice Chairman and Chief Risk Officer of Royal Bank of Canada (RBC Financial Group), where she was responsible for the management of enterprise-wide risk and served on the executive management committee, providing leadership for the overall strategic direction of RBC Financial Group. During her 25 years with Royal Bank of Canada, Ms. Labarge held a variety of roles within commercial and corporate lending, internal audit, and corporate treasury before assuming responsibility for risk management. During her career, Ms. Labarge also served the Canadian government as an assistant auditor-general and as deputy superintendent of the Office of the Superintendent of Financial Institutions Canada. Ms. Labarge currently serves as a member of the Supervisory Board of Deutsche Bank AG, a global investment bank, and as a member of the board and chair of the audit committee of Coca-Cola Enterprises, Inc., a cold beverage bottler and distributor. In addition, from January 2005 to May 2007, Ms. Labarge served as a director and chair of the audit committee of Novelis, Inc., a Canadian producer of aluminum products that is no longer a public company.

Ms. Labarge has extensive risk management and compliance experience and familiarity with the complexities involved in managing large, international corporations from her time at Royal Bank of Canada and as a member of Deutsche Bank s risk committee. That experience, as well as her service as a director of companies with significant international operations, makes her well suited to serve as a director of the Company. Ms. Labarge also has in-depth familiarity with financial accounting practices and reporting responsibilities of public companies with global operations as a result of her current and prior service as a member or chairwoman of other companies audit committees. The Board expects to continue to derive great benefit from Ms. Labarge s enterprise risk and financial management expertise, executive management experience and financial accounting knowledge as it continues to develop its global insurance and reinsurance platforms.

Your Board of Directors recommends that shareholders vote FOR the nominees for Class II Directors for terms to expire in 2015.

Directors Whose Terms of Office Do Not Expire at this Meeting

Class III Directors whose terms will expire in 2013:

Joseph Mauriello, age 67, has been a Director of the Company since January 2006. Mr. Mauriello was formerly Deputy Chairman and Chief Operating Officer of KPMG LLP (United States) and KPMG Americas Region from 2004 to 2005 and a director of KPMG LLP (United States) and KPMG Americas Region from 2004 to 2005. During his 40 years at KPMG, Mr. Mauriello held numerous leadership positions, including Vice Chairman of Financial Services from 2002 to 2004. He is a Certified Public Accountant (Retired) in New York and is a member of the American Institute of Certified Public Accountants. He has also been a member of the board of overseers of the School of Risk Management, Insurance and Actuarial Science of the Peter J. Tobin College of Business at St. John s University since 2002, a trustee of the St. Barnabas Medical Center in New Jersey since 2003 and the St. Barnabas Health Care System since 2008, a member of the board of directors of the Alliance for Lupus Research since 2006, a member of the board of directors of Arcadia Resources, Inc. since March 2007, and a member of the board of trustees of Fidelity Funds since July 2007. From July 2006 to July 2007, he served as a member of the board of directors of the Hamilton Funds of the Bank of New York.

Mr. Mauriello s significant experience in the independent public accounting and financial services industries, including a 40 year tenure in senior positions with the leading international accounting firm of KPMG, makes him well-qualified to serve in his current position as Chair of the Audit Committee. He has in-depth familiarity with financial accounting practices and reporting responsibilities, including those unique to property, casualty and specialty insurance and reinsurance companies. In addition, the Board benefits from Mr. Mauriello s breadth of experience serving on the boards of directors of other entities that have, or control other entities that have, publicly traded securities.

Eugene M. McQuade, age 63, has been a Director of the Company since July 2004. Mr. McQuade is the CEO of Citibank, N.A., a role he assumed in August 2009. He is also a member of Citigroup s Operating Committee and serves on the board of directors of Citibank, N.A. From February 2008 to February 2009, Mr. McQuade was Vice Chairman and President of Merrill Lynch Banks (U.S.). Mr. McQuade was President and Chief Operating Officer of Freddie Mac from September 2004 to September 2007 and a director of Freddie Mac from November 2004 to August 2007. Mr. McQuade was President and a director of Bank of America Corporation from April 2004 to June 2004. He previously had been President and Chief Operating Officer at FleetBoston Financial Corporation from 2002 to March 2004. Mr. McQuade served as Vice Chairman and Chief Financial Officer of FleetBoston Financial Corporation from 1997 to 2002. He also served as a director of FleetBoston Financial Corporation from 2003 until April 2004 (when FleetBoston Financial Corporation merged into Bank of America Corporation). Mr. McQuade is a Certified Public Accountant.

Mr. McQuade has extensive experience and financial expertise through his service in management positions such as CEO, president, vice chairman, chief financial officer and chief operating officer of several global, publicly traded financial institutions. This expertise makes him well-qualified to serve as Chair of the Risk and Finance Committee. In addition, the Board derives valuable insight and benefit from Mr. McQuade s judgment and experience as a current or former member of the board of directors of several financial institutions.

Clayton S. Rose, age 53, was appointed a Director of the Company in December 2009. Dr. Rose is a Professor of Management Practice at the Harvard Business School, and has been a member of its faculty since July 2007. Previously, he was an adjunct professor at the Stern School of Business at New York University (2002-2004) and at the Graduate School of Business at Columbia University (2002-2006). He is a trustee of the Howard Hughes Medical Institute and a director of Public/Private Ventures. From October 2010 to March 2012, Dr. Rose was a director of Freddie Mac, which included serving as chairman of its Audit Committee and as a member of its Coordinating, Compensation and Business and Risk Committees. In addition, Dr. Rose previously chaired the Board of Managers of Highbridge Capital Management, a hedge fund owned by JP Morgan Chase (2007-2010), and served as a director of Mercantile Bancshares (2001-2007) and Lexicon Pharmaceuticals (2003-2007).

Dr. Rose is a former executive of J.P. Morgan & Co., where he headed each of the Global Investment Banking and the Global Equities Divisions, and served as a member of the firm s executive committee. During his career at J.P. Morgan, he held management roles in various securities, derivatives and corporate finance businesses. This range of experience in the financial services industry, together with his academic role at three leading U.S. business schools, where he teaches or has taught courses on financial services, managerial responsibility, ethics and strategy provide expertise in the areas of finance, investments, management, corporate governance and strategy.

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In addition, the Board derives benefit from Dr. Rose s experience as a former director of three publicly traded companies.

Class I Directors whose terms will expire in 2014:

Herbert N. Haag, age 65, has been a Director of the Company since June 2006. Mr. Haag was the founding President and CEO of Bermuda-based reinsurer PartnerRe Ltd. from 1993 until his retirement in December 2000. From December 2000 to 2002, Mr. Haag served as Senior Advisor of PartnerRe Ltd. Mr. Haag s insurance industry career spans approximately 40 years, including 24 years with Swiss Reinsurance Company where he held various senior positions, most recently as Executive Vice President responsible for Swiss Re Zurich s reinsurance business for the Americas, Asia, Africa and Southern Europe. Mr. Haag is the President of the Swiss-Japanese Society in Switzerland.

Having served as the President and CEO of PartnerRe Ltd., Mr. Haag brings to the Board a wealth of management experience with a focus on the opportunities and challenges facing the insurance and reinsurance industry on a worldwide basis. Mr. Haag s approximately 40 years of global reinsurance operations experience contributes to the Board s risk oversight role, particularly relating to oversight of Company policies and procedures in the area of enterprise risk management.

Michael S. McGavick, age 54, was appointed as a Director of the Company in April 2008, shortly prior to his commencement as the Company s CEO on May 1, 2008. Previously, Mr. McGavick was President and CEO of Seattle-based insurer Safeco Corporation from January 2001 to December 2005, and was Chairman of Safeco s board of directors from January 2002 to December 2005. Prior to joining Safeco, Mr. McGavick spent six years with Chicago-based CNA Financial Corporation, where he held various senior executive positions before becoming President and Chief Operating Officer of the company s largest commercial insurance operating unit. Mr. McGavick s insurance industry experience also includes two years as Director of the American Insurance Association s Superfund Improvement Project in Washington D.C. where he became the Association s lead strategist in working to transform U.S. Superfund environmental laws. Mr. McGavick is a member of the boards of the American Insurance Association and the Insurance Information Institute, and the Second Deputy Chair of the board of the Association of Bermuda Insurers and Reinsurers.

Upon joining the Company in 2008, Mr. McGavick pioneered and has led the successful implementation of the Company s strategy to simplify its organizational structure, focus on its core property, casualty and specialty insurance and reinsurance businesses and enhance its enterprise risk management capabilities. Mr. McGavick provides innovative leadership and knowledge of all aspects of the Company s business, and has a proven track record in the insurance industry, especially relating to turnaround management. The Company s ongoing strategy initiatives, including the creation of the new Office of Strategic Growth, are examples of Mr. McGavick s innovative leadership in action. In addition, Mr. McGavick s previous political and public affairs experience enhances his contribution to the Company and the Board.

Sir John M. Vereker, age 67, has been a Director of the Company since November 2007. Sir John Vereker was the Governor and Commander-in-Chief of Bermuda from April 2002 to October 2007. Prior to that, he was the U.K. s Permanent Secretary of the Department for International Development and of its predecessor, the Overseas Development Administration, from 1994 to 2002. Over the years, Sir John Vereker s career has included working at the World Bank, serving as Private Secretary to three U.K. Ministers of Overseas Development, working on public sector issues in the Policy Unit of the British Prime Minister s Office and serving as Deputy Secretary for the Department of Education and Science. He has been a Board Member of the British Council, the Institute of Development Studies and the Institute of Manpower Studies and Voluntary Service Overseas. He has served on the Advisory Councils for the Centre for Global Ethics and for the British Consultancy and Construction Bureau. He has also been an adviser to the U.N. Secretary-General s Millennium Development Project and a member of the Volcker panel, which investigated the World Bank s institutional integrity. Sir John Vereker is an independent director of MWH Global, whose principal business is wet infrastructure engineering, and a Trustee of the Ditchley Foundation.

As a result of his extensive career in the public sector, Sir John Vereker provides valuable insights to the Board in the areas of government relations and external affairs. In particular, Sir John Vereker s significant public sector experience and previous leadership positions in Bermuda and the U.K. bring depth to the Board s oversight of public policy matters on a global basis.

Director to begin service in April 2012:

In February 2012, the Company announced that Valerie Gooding will be appointed to its Board effective April 26, 2012. In accordance with the Company s Articles of Association, which provide for each class of directors to consist as nearly as possible of one-third of the total number of directors, Ms. Gooding has been appointed as a Class III Director and as such will be nominated for election at the Company s 2013 annual general meeting of shareholders.

Previously, from 1998 to 2008, Ms. Gooding served as the CEO of British United Provident Association (BUPA), a leading health insurer and provider, where she led a major expansion of the company. Under Ms. Gooding s leadership, BUPA diversified its strategy and grew operations outside of the United Kingdom to include Australia, New Zealand, Spain, Saudi Arabia, Denmark and the United States. Prior to leading BUPA, Ms. Gooding spent more than 20 years at British Airways, where she held a number of positions, including head of sales and marketing, division director of business units and director of Asia Pacific. Ms. Gooding currently serves as the non-executive chairman of the board of Premier Farnell plc and chairs its nominating committee. She also sits on the Board of Standard Chartered plc. Formerly, she was a director of the British Broadcasting Company, J. Sainsbury plc and BAA plc. Ms. Gooding s extensive pro bono positions include previously acting as a Trustee and Deputy Chairman of the British Museum and as a board member of the Association of British Insurers. As the Company continues to execute its strategic growth ambitions, the Board believes that Ms. Gooding s extensive and diverse global business experience will serve the Company well.

II. RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITOR AND AUTHORIZATION OF AUDIT COMMITTEE TO FIX THE REMUNERATION OF THE INDEPENDENT AUDITOR

The Audit Committee of the Board is required by law and applicable NYSE rules to be directly responsible for the appointment, compensation and retention of the Company s independent auditor. The Audit Committee has appointed PricewaterhouseCoopers LLP as the Company s independent auditor for the year ending December 31, 2012. While shareholder ratification is not required by the Company s Articles of Association or otherwise, the Board of Directors is submitting the appointment of PricewaterhouseCoopers LLP to the shareholders for ratification as part of good corporate governance practices. If the shareholders fail to ratify the appointment, the Audit Committee may, but is not required to, reconsider whether to retain PricewaterhouseCoopers LLP. Even if the appointment is ratified, the Audit Committee in its discretion may direct the appointment of a different independent auditor at any time during the fiscal year if it determines that such a change would be in the best interest of the Company and its shareholders. Authorization of the Board, acting through its Audit Committee, to fix the remuneration of the independent auditor is required by Irish law.

The Board recommends a vote FOR the ratification of the appointment of PricewaterhouseCoopers LLP as the Company s independent auditor to audit the Company s consolidated financial statements for the year ending December 31, 2012 and the authorization of the Audit Committee to fix the remuneration of the independent auditors. The persons designated as proxies will vote FOR the ratification of the appointment of PricewaterhouseCoopers LLP as the Company s independent auditor and authorization of the Audit Committee to fix the remuneration of the independent auditors, unless otherwise directed. Representatives of PricewaterhouseCoopers LLP are expected to be present at the Annual General Meeting, with the opportunity to make a statement should they choose to do so and are expected to be available to respond to questions, as appropriate.

Your Board of Directors recommends that shareholders vote FOR the ratification of the appointment of PricewaterhouseCoopers LLP and the authorization of the Audit Committee to fix the remuneration of

PricewaterhouseCoopers LLP.

III. NON-BINDING (ADVISORY) VOTE APPROVING EXECUTIVE COMPENSATION

This proposal gives shareholders the opportunity to express their views on the compensation paid to our named executive officers, as disclosed under the heading Executive Compensation Compensation Discussion and Analysis and the related compensation tables and accompanying narratives, by voting for or against the resolution set forth below. This resolution is required pursuant to Section 14A of the Securities Exchange Act of 1934, as amended (the Exchange Act). As previously announced, consistent with shareholders preferences expressed in the non-binding vote regarding the frequency of future executive compensation votes at our 2011 Annual General Meeting, we currently submit this proposal to shareholders for a non-binding vote on an annual basis. We intend to next present a proposal to shareholders regarding the frequency of future advisory executive compensation at our 2017 Annual General Meeting.

At our 2011 annual general meeting, shareholders strongly supported our executive compensation practices by a vote of over 87% of the votes cast. We maintained substantially similar programs for the 2011 performance year, as discussed in Executive Compensation Compensation Discussion and Analysis.

Our executive compensation programs promote a performance-based culture and align executives interests with those of shareholders by linking a substantial portion of compensation to the Company s performance and by requiring executives to hold 50% of equity grants made on or after February 28, 2010 for five years. It balances short- and long-term compensation features to encourage executives to achieve annual goals and objectives while also rewarding executives for producing value for the Company s shareholders over the long term. The program is also designed to attract and retain highly talented executives who are critical to the successful implementation of the Company s strategy.

More specifically:

- Incentive-based pay ranges from 81% to 89% of Total Direct Compensation, as defined under Executive Compensation Compensation Discussion and Analysis Role of Compensation Benchmarking, for those named executive officers still serving in such capacity as of March 12, 2012;

- Annual base salary ranges from 11% to 19% of named executive officers Total Direct Compensation;

- For our CEO specifically, annual base salary represents only 11% of his Total Direct Compensation, while approximately 67% is tied to the creation of long-term shareholder value and approximately 22% is tied to achievement of challenging annual performance goals; and

Our executive compensation programs:

Contain clawback provisions on incentive awards that may be invoked for executives who engage in willful misconduct that results in a financial restatement due to material non-compliance with financial reporting requirements;

Avoid perquisites that exceed levels customary to the markets in which executives reside;

Base long-term incentive compensation on financial metrics that are tied to our long-term success; and

Do not provide excise tax gross-ups for executives hired post-2009.

For the reasons discussed above, the Board recommends that shareholders approve the executives   compensation by approving the following resolution:

RESOLVED, that the shareholders approve the compensation of the Company s named executive officers, as disclosed in the Compensation Discussion and Analysis, the compensation tables and the related disclosure contained in this proxy statement.

Your Board of Directors recommends that shareholders vote FOR the approval of the resolution set forth above.

CORPORATE GOVERNANCE

The Company s Board of Directors and management have a strong commitment to effective corporate governance. The Company has in place a comprehensive corporate governance framework for its operations, which, among other things, takes into account the requirements of the Sarbanes-Oxley Act of 2002, the SEC and the New York Stock Exchange (NYSE). The key components of this framework are as follows:

Board of Directors

The size of the Board is currently ten members, and will be eleven members at the time of the Annual General Meeting. The Company s Articles of Association provide that the Board of Directors shall be divided into three classes, designated Class I, Class II and Class III, with each class consisting as nearly as possible of one-third of the total number of Directors constituting the entire Board of Directors.

The term of office for each Director in Class II expires at the 2012 Annual General Meeting; the term of office for each Director in Class III expires at the 2013 Annual General Meeting; and the term of office for each Director in Class I expires at the 2014 Annual General Meeting. At each Annual General Meeting, the successors of the class of Directors whose term expires at that meeting are elected to hold office for a term expiring at the Annual General Meeting to be held in the third year following the year of their election.

In 2011, there were five meetings of the Board. Each Director attended 75% or more of the total number of such meetings of the Board and of the Committees on which each such Director served during his or her term. See Committees below for the number of meetings held by each of the Company s committees during 2011. The Company expects Directors to attend the Annual General Meeting and all ten of the Company s Directors at the time of the 2011 Annual General Meeting attended the Meeting. Ms. Labarge joined the Board in October 2011, subsequent to our 2011 Annual General Meeting.

Leadership Structure

The Board has a preference with respect to the separation of the office of Chairman of the Board from that of the CEO. The Board believes that this item is part of the succession planning process and should be regularly reviewed as appropriate. Robert R. Glauber has served as the non-executive Chairman of the Board since April 2009.

Qualifications of Directors and Board Diversity

The Board regularly considers the qualifications necessary for its members. In this regard, the Board believes that its members should be persons with superior business judgment and integrity, who have knowledge or experience in the areas of insurance, reinsurance, financial services or other aspects of the Company s business, operations or activities, and who have distinguished themselves in their chosen fields of endeavor. In addition, the Board believes its members should have the talent and vision to provide oversight and direction in the areas of strategy, operating performance, corporate governance and risk management in order to maximize the interests of shareholders while maintaining the highest standards of ethical business conduct. The Board believes that each of its Directors contributes a strong background and set of skills to enable the Board to meet its responsibilities.

The Company s corporate governance guidelines provide that the Nominating, Governance and External Affairs Committee considers diversity among other factors in assessing the skills and characteristics of Director candidates and the Board as a whole. This consideration includes a broad evaluation of diversity of viewpoints, skills, experience and other demographics represented on the Board as a whole. This discussion and evaluation of diversity occurs at the Board and committee levels.

Board Role in Risk Management

The Company is focused on enhancing its risk management capabilities throughout all facets of its operations.

The Company s Chief Enterprise Risk Officer (CERO) chairs the Company s Enterprise Risk Management Committee, which is comprised of the most senior risk management executives of the Company. The CERO assists with the efficient identification, assessment, monitoring and reporting of key risks across the Company. The CERO reports directly to the Company s CEO and acts as a liaison between the Company s Enterprise Risk Management Committee, the Board and the Risk and Finance Committee and other Board committees with respect to risk matters. All of the Company s employees are expected to assist in the appropriate and timely identification and management of risks and to enhance the quality and effectiveness of enterprise risk management.

The Board s Risk and Finance Committee s enterprise risk management responsibilities include, among other things, review of the methodology for establishing the Company s risk capacity, review and approval of enterprise risk limits and review of the Company s overall risk profile and monitoring of key risks across the Company s organization as a whole, which may involve coordination with other committees of the Board from time to time as appropriate.

With respect to compensation risk oversight and assessment, the Management Development and Compensation Committee (the Compensation Committee), which is responsible for oversight of the Company s executive compensation programs, in consultation with management and Meridian Compensation Partners, LLC, the Compensation Committee s independent compensation consultant (Meridian), reviewed the impact of the Company s executive compensation programs on the Company s risk profile, and the incentives created by the compensation programs that the Compensation Committee administers. To aid the Compensation Committee in its review, in October 2011, management completed an evaluation of each of the Company s significant incentive compensation programs to determine whether the arrangements were designed and operated in a prudent manner.

During the evaluation process, management considered whether each incentive program s administration, oversight, structure and processes possessed a formal and consistently applied design and approval process, and provided for accurate and timely payouts and ongoing plan monitoring and oversight. Moreover, management evaluated the performance metrics utilized in these arrangements to determine whether they were consistent with the Company s risk profile and motivated appropriate risk-taking behaviors.

Management provided the results of its evaluation to the Compensation Committee in October 2011. The evaluation demonstrated that the inherent risks in the Company s compensation programs are appropriately mitigated in several ways. The compensation programs evaluated generally have multiple performance measures and/or vesting provisions that require executives to take into account both the short-term and long-term interests of the Company. With respect to equity-based awards, share ownership guidelines require executives to hold equity grants for specified periods of time. In addition, both equity and cash-based incentive awards are subject to clawback under certain circumstances for our executive officers. These practices encourage our executives to focus on the long-term creation of shareholder value. They are discussed in greater detail in Executive Compensation Compensation Discussion and Analysis Executive Share Ownership.

The executive behaviors that drive the achievement of various performance goals under the Company s incentive arrangements are subject to rigorous oversight by management s enterprise risk management process, including reviews by the Company s management Operational Risk and Anti-Fraud Sub-Committees. This is in addition to the application of the Company s framework for finance internal controls and its underwriting, claims and actuarial guidelines and processes. The accuracy and timing of incentive arrangement payouts is monitored and overseen by various internal and external audit functions.

Finally, the Compensation Committee s reservation of discretion to take into account all relevant factors in determining the amounts of annual executive incentive awards and other incentive payments or awards mitigates the risk that a formulaic calculation of these payments or awards based on pre-established performance metrics could result in payouts that are not aligned with the creation of shareholder value and the overall financial performance of the Company. See Executive Compensation Compensation Discussion and Analysis.

Executive Sessions of Independent Directors

The Company s independent Directors meet as a group in executive session at regularly scheduled meetings of the Board without any member of management in attendance. Mr. Glauber, the non-executive Chairman of the Board, presides at such executive sessions of the Board.

Independence Standards

The Board has adopted director independence standards to assist it in making determinations as to whether Directors have any material relationships with the Company for purposes of determining independence under the listing standards of the NYSE and applicable securities laws. In accordance with these standards, the Board of Directors determined (i) in February 2012, that each of Messrs. Ayer, Comey, Glauber, Haag, Mauriello and McQuade, Ms. Labarge, Dr. Rose and Sir John Vereker is independent in accordance with such standards; (ii) that no transactions or relationships existed that were inconsistent with a determination that each such Director is independent; and (iii) that when Ms. Gooding begins service as a director on April 26, 2012, she will be independent in accordance with the above standards.

In reaching its conclusion with respect to each of the independent Directors, the Board considered the information contained in this proxy statement as well as that (i) Mr. Mauriello receives a pension from a company that did business with the Company during 2011; and (ii) since August 2009, Mr. McQuade has served as the CEO of Citibank, N.A (Citibank). Citibank and its affiliates were during 2011 and continue to be lenders and letter of credit issuers under certain of the Company s credit facilities. As of December 31, 2011, affiliates of Citibank had commitments of $1.235 billion, of which $1.235 billion were outstanding under the credit agreements, and had issued $566 million of outstanding but undrawn letters of credit on behalf of the Company. The Company paid affiliates of Citibank approximately $3.6 million in syndication, commitment and letter of credit fees during 2011. In addition, affiliates of Citibank provided the Company with (a) standard cash management and foreign exchange services during 2011, for which the Company paid approximately $700,000 in the aggregate; and (b) underwriting services, for which the Company paid approximately $90,000. The Company had an aggregate balance of $160 million in accounts at Citibank at December 31, 2011.

The Company believes that all of the transactional services provided to the Company by Citibank and its affiliates described above were entered into on an arm s length basis. As such, Citibank and its affiliates receive the same type of information regarding the Company as the Company provides to its other underwriters, lenders and letter of credit issuers in connection with the provision of underwriting services and with the establishment and maintenance of the facilities, and do not receive any additional information about the Company that is strategic in nature.

Committees

The Board has established an Audit Committee, a Compensation Committee, a Nominating, Governance and External Affairs Committee and a Risk and Finance Committee. In addition, special committees of the Board may be created from time to time to oversee special projects, financings and other initiatives. The Audit Committee is comprised entirely of directors who meet the independence, financial experience and other qualification requirements of the NYSE and applicable securities laws. In addition, each member of the Compensation Committee, the Nominating, Governance and External Affairs Committee and the Risk and Finance Committee meets the independence requirements of the NYSE. The members of the Compensation Committee are non-employee directors as defined by Rule 16b-3 under the Exchange Act and outside directors as defined by Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code).

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Audit Committee

The Audit Committee s primary purpose is to assist in the Board s oversight of the integrity of the Company s financial statements, including its system of internal controls, the independent auditor s qualifications, independence and performance, the performance of the Company s internal audit function and the Company s compliance with legal and regulatory requirements. The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the work of the independent auditor in preparing or issuing an audit report or performing other audit, review or attestation services for the Company. Messrs. Mauriello (Chairman), Ayer and Comey, Ms. Labarge and Sir John Vereker comprise the Audit Committee. The Audit Committee met eight times during 2011. The Board has determined that Mr. Mauriello is an audit committee financial expert (as that term is defined in Item 407(d)(5)(ii) of Regulation S-K).

Compensation Committee

The Compensation Committee reviews and approves the goals, objectives and performance of the CEO, as well as oversees executive management development and succession planning. In addition, the Compensation Committee is responsible for approving the compensation of all executive officers and other key executives and approving the overall compensation structure of the Company including compensation and benefit plans. With respect to the CEO, the Compensation Committee recommends the CEO s compensation to the independent Directors of the Board for review and ratification. For additional information regarding the Compensation Committee s role with respect to assessing risk in compensation incentives, see Board Role in Risk Management. Messrs. Haag (Chairman), Ayer, Mauriello and McQuade comprise the Compensation Committee. Ms. Gooding will join the Compensation Committee when she begins service on the Board in April 2012. The Compensation Committee met seven times during 2011.

Nominating, Governance and External Affairs Committee

The Nominating, Governance and External Affairs Committee makes recommendations to the Board as to nominations to the Board and Board committee memberships and compensation for Board and Board committee members, as well as structural, governance and procedural matters. The Nominating, Governance and External Affairs Committee also reviews the performance and charters of the Board and of each standing committee of the Board, reviews public policy and reputation management issues of significance to the Company, and oversees the Company s program of charitable giving and political contributions. Messrs. Comey (Chairman) and Glauber, Dr. Rose and Sir John Vereker comprise the Nominating, Governance and External Affairs Committee. The Nominating, Governance and External Affairs Committee met five times during 2011.

(i) Identifying and evaluating nominees

The Nominating, Governance and External Affairs Committee is responsible for reviewing with the Board, on an annual basis, the requisite skills and characteristics of individual Board members as well as the composition of the Board as a whole. For each Director, this assessment includes review of his or her independence, as well as consideration of diversity of viewpoints, skills, experience and other demographics in the context of the needs of the Board.

When the Board determines to seek a new member, whether to fill a vacancy or otherwise, the Nominating, Governance and External Affairs Committee utilizes third-party search firms and considers recommendations from Board members, management and others, including shareholders. In general, the Nominating, Governance and External Affairs Committee looks for new members possessing superior business judgment and integrity who have distinguished themselves in their chosen fields of endeavor and who have knowledge or experience in the areas of insurance, reinsurance, financial services or other aspects of the Company s business, operations or activities. In addition, the Board believes its members should have the talent and vision to provide oversight and direction in the areas of strategy, operating performance, corporate governance and risk management in order to maximize the interests of shareholders while maintaining the highest standards of ethical business conduct.

(ii) Nominees recommended by shareholders

The Nominating, Governance and External Affairs Committee will consider, for Director nominees, persons recommended by shareholders, who may submit recommendations to the Nominating, Governance and External Affairs Committee in care of the Company s Secretary at XL Group plc, One Bermudiana Road, Hamilton HM 08, Bermuda. To be considered by the Nominating, Governance and External Affairs Committee, such recommendations must be accompanied by the information regarding the nominating shareholder and the proposed candidate required pursuant to Article 61 of the Company s Articles of Association, which includes all information that would be required in connection with a solicitation of proxies for the election of directors in a contested election pursuant to Section 14A of the Exchange Act, and a written statement from the proposed candidate that he or she is willing to be nominated and desires to serve if elected. Nominees for Director who are recommended by shareholders to the Nominating, Governance and External Affairs Committee will be evaluated in the same manner as any other nominee for Director. See Shareholder Proposals for 2013 Annual General Meeting.

Risk and Finance Committee

The Risk and Finance Committee reviews and oversees, among other matters, the Company s capital structure, debt and equity issuances, dividend policy, acquisitions and divestitures, significant strategic investments, overall investment policy and performance, quarterly and annual financial results and enterprise risk management matters, including review of the methodology for establishing the Company s risk capacity, review and approval of enterprise risk limits and review of the Company s overall risk profile and monitoring of key risks across the Company s organization as a whole. Since December 2011, all non-management Directors are members of the Risk and Finance Committee. These Directors are Messrs. McQuade (Chairman), Ayer, Comey, Glauber, Haag and Mauriello, Sir John Vereker, Ms. Labarge and Dr. Rose. Ms. Gooding will join the Risk and Finance Committee when she begins service on the Board in April 2012. The Risk and Finance Committee met eight times during 2011.

Compensation Committee Interlocks and Insider Participation

For the period from January 1, 2011 to December 31, 2011, Messrs. Haag (Chairman), Mauriello and McQuade comprised the Compensation Committee. For the period from February 24, 2011 to December 31, 2011, Mr. Ayer was also a member of the Compensation Committee. Ms. Gooding will join the Compensation Committee when she begins service on the Board in April 2012.

No member of the Compensation Committee is, or was during 2011 or any time prior thereto, an officer or employee of the Company. No member of the Compensation Committee had any relationship with the Company or any of its subsidiaries during 2011 pursuant to which disclosure would be required under applicable rules of the SEC pertaining to the disclosure of transactions with related persons. None of our executive officers currently serves or has served in the past on the board of directors or compensation committee of another company at any time during which an executive officer of such other company served on our Board or Compensation Committee.

Communications with Members of the Board of Directors and its Committees

Shareholders and other interested persons may communicate directly with one or more Directors (including the Chairman or all non-management Directors as a group) by writing to them in care of the Company s Secretary at XL Group plc, One Bermudiana Road, Hamilton HM 08, Bermuda and specifying the intended recipient(s). All such communications will be forwarded to the appropriate Director(s) for review, other than communications that are advertisements or other communications determined not to bear substantively on the business or governance of the Company.

Code of Conduct

The Company s Directors, officers (including the CEO) and employees. The Company will post on its website at *www.xlgroup.com* any amendment to or waiver under the Code of Conduct granted to any of its Directors or executive officers that relates to any element of the code of ethics definition set forth in Item 406 of Regulation S-K of the Securities Act of 1933, as amended.

Website Access to Governance Documents

The Company s Director Independence Standards, Corporate Governance Guidelines, Code of Conduct, the charters for the Audit Committee, Compensation Committee, Nominating, Governance and External Affairs Committee and Risk and Finance Committee and other Company ethics and governance materials are available free of charge on the Company s website located at *www.xlgroup.com* or by writing to XL Group plc, Investor Relations, Seaview House, 70 Seaview Avenue, Stamford, CT 06902-6040.

Procedures for Approval of Related Person Transactions

The Company s Board of Directors has written policies and procedures relating to the approval or ratification of transactions with Related Persons, as defined below. Under these policies and procedures, management must present to the Nominating, Governance and External Affairs Committee any Related Person Transactions, as defined below, proposed to be entered into by the Company and any Ordinary Course Related Person Transactions, as defined below, known to management, including the aggregate value of such transactions, if applicable. In reviewing proposed Related Person Transactions, the Committee must consider, among other things, if such transactions are on terms comparable to those that could be obtained in arm s length dealings with an unrelated third person and must review such transactions to ensure, among other things, that such transactions are on terms comparable to those that could be obtained in arm s length dealings with an unrelated third person or otherwise fair to the Company. In instances where an Ordinary Course Related Person Transaction is reviewed, the Committee must determine whether such proposed transaction is in the ordinary course of business and on terms no more favorable than are made to other unrelated persons. After review, the Committee shall approve or disapprove such transactions. Management must, at each subsequent Nominating, Governance and External Affairs Committee meeting, update the Committee as to any material change to those transactions that have been approved by the Nominating, Governance and External Affairs Committee. No Director may participate in any approval of a Related Person Transaction or Ordinary Course Related Person Transaction in which he or she could have a direct or indirect interest.

Under these policies and procedures, a Related Person Transaction is any transaction, including proposed charitable contributions or pledges of charitable contributions, in which the Company was or is a participant, the amount involved exceeds $120,000 and a Related Person had or will have a direct or indirect material interest. A Related Person Transaction does not include the Company s providing insurance and/or reinsurance to shareholders or their affiliates, or to employers or entities associated with a Related Person in the ordinary course of business, on terms no more favorable to the (re)insureds than are made available to other customers (collectively, Ordinary Course Related Person Transaction(s)). A Related Person is a senior officer, director or nominee for director of the Company, a greater than 5% beneficial owner of the Company s outstanding shares, any immediate family member (as that term is defined by Item 404 of Regulation S-K) of any of the foregoing or an entity in which a person listed in the foregoing has a substantial interest in, or control of, such entity or which employs a person listed in the foregoing.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

1. Introduction

In 2011, the Company made significant progress towards building a solid foundation for our future and implementing our strategy to achieve superior performance. However, like many property and casualty companies, our 2011 financial results were impacted by a year with one of the largest aggregate worldwide catastrophe losses in history. These catastrophe losses tended to obscure much of the forward progress we made during 2011.

2011 included the two largest natural disasters since Hurricane Katrina in 2006. However, our loss profile with respect to 2011 natural catastrophes in terms of the percentage of shareholders equity, relative to industry competitors, demonstrated the effectiveness of our risk management practices. In addition, our Reinsurance segment contributed strong results despite the impact of 2011 natural catastrophe losses across the industry.

Despite the losses, there were many important achievements throughout the year that provide the foundation needed for future success:

We grew P&C gross premiums written in a disciplined and prudent manner by 10.2% for the year, and noted steadily improving pricing across most lines, positioning us to take advantage of future market opportunities.

We pursued growth opportunities in China and Brazil. We also successfully recruited teams to enter new insurance business lines such as Political Risk and Trade Credit, Inland Marine and

Surety.

We further optimized our investment portfolio and further reduced our life portfolio s exposure to European investment markets. The investment portfolio had positive mark-to-market of $130 million, with the impact of lower interest rates being partially offset by widening credit spreads.