

White Mountains Insurance Group, Ltd.

Audit Committee Charter

I. Purpose

The Audit Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of White Mountains Insurance Group, Ltd. (the “Company”) to assist the Board in fulfilling its oversight responsibilities to the Company’s Members and the other important constituencies the Board serves.

The primary purposes of the Committee are to:

- Assist with Board oversight of:
 - the integrity of the Company’s financial statements
 - the qualifications and independence of the independent auditors
 - the performance of the internal audit function and the independent auditors
 - the Company’s compliance with legal and regulatory requirements
- Provide an avenue of communication among the independent auditors, management, the internal auditors and the Board
- Approve certain related or affiliated person transactions and review disclosures thereof
- Prepare the audit committee report required by the rules of the Securities and Exchange Commission (“SEC”) to be included in the annual proxy statement

In addition, with respect to risk management, the Committee shall discuss with management the Company’s policies with respect to risk assessment and risk management, including the Company’s major financial risk exposures and the steps management has taken to monitor and control those exposures.

II. Membership

The Committee shall be comprised of no less than three directors, the exact number to be determined from time to time by the Board.

The Committee’s composition shall meet the independence and expertise requirements for audit committees imposed by New York Stock Exchange (“NYSE”) listing standards, Section 10A(m)(3) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and any applicable rules or regulations of the SEC, in each case as in effect from time to time. The Board shall endeavor to have at least one member of the Committee with the qualifications necessary to be considered an “audit committee financial expert” as defined in the rules and regulations of the SEC.

No member of the Committee may serve simultaneously on the audit committees of more than two other public companies, unless the Board determines that such simultaneous service would not impair such director’s ability to serve effectively on the Committee and such determination is disclosed in the Company’s annual proxy statement.

The members of the Committee shall be appointed annually by a majority vote of the full Board from among its members following receipt and consideration of the recommendation of the Compensation/Nominating & Governance Committee. Each Committee member shall serve until such member’s successor is duly appointed and qualified or until such member’s resignation or removal by a majority vote of the full Board.

III. Authority and Responsibilities

The Committee's function is not to replace management, the internal auditors or the independent auditors, but rather is one of oversight. It is the responsibility of management to prepare the financial statements and to develop and maintain adequate systems of internal accounting and financial controls, and it is the internal and independent auditors' responsibility to review and, when appropriate, audit or attest to these financial statements and internal controls. The Committee recognizes that management and the internal and independent auditors have more knowledge and information about the Company than do Committee members. Consequently, in carrying out its oversight responsibilities, the Committee cannot, and is not expected to, provide any expert or special assurance as to the financial statements or internal controls or any professional certification as to the independent auditors' work.

In carrying out its oversight responsibilities, the Committee shall undertake the following activities and have the following authority (in addition to the duties and responsibilities set forth in Rule 10A-3(b)(2), (3), (4) and (5) of the Exchange Act, as well as any others that the Board may from time to time delegate to the Committee):

Financial Reporting Process and Financial Statements

1. Meet periodically in separate sessions with (a) management, (b) the independent auditors and (c) the internal auditors.
2. Meet to review and discuss with management and the independent auditors (a) the audited financial statements to be included in the Annual Report on Form 10-K (or the Annual Report to Shareholders if distributed prior to the filing of the Form 10-K), (b) the quarterly financial statements to be included in the Quarterly Reports on Form 10-Q and (c) in each case, the specific disclosures in the related "Management's Discussion and Analysis of Financial Condition and Results of Operations".
3. Review:
 - (a) major issues regarding accounting principles and financial statement presentations, including any changes in the selection or application of accounting principles, and major issues as to the adequacy of the internal controls and any special audit steps adopted in light of any material control deficiencies;
 - (b) analyses prepared by management and/or the outside auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements; and
 - (c) the effect of regulatory or accounting initiatives, as well as off-balance sheet transactions, on the financial statements.
4. In connection with the annual audit and quarterly review by the independent auditors of the financial information included in the Company's periodic filings, prior to the release of earnings or the filing of the Form 10-K or Form 10-Q, as applicable, discuss with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61, as amended or supplemented, including receiving from the independent auditors and, where applicable, management and/or the internal auditors, timely reports concerning:
 - (a) all critical accounting policies and practices;
 - (b) all significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including alternative treatments of financial information under generally accepted accounting principles ("GAAP") that have been discussed with management, the ramifications of the use of such alternative methods and the method preferred by the independent auditors; and

- (c) any other material analyses prepared by or written communications between the independent auditors and management (such as any management or internal control letter or schedule of unadjusted differences).

The Chair of the Committee may represent the entire Committee for purposes of this review.

5. Regularly review with the independent auditors and the internal auditors any audit problems or difficulties encountered and management's response (including any restrictions on access, any accounting adjustments noted or proposed but passed as immaterial or for other reasons, any communications between the independent audit team and the independent auditors' national office and any management or internal control letters proposed to be but never issued by the independent auditors).
6. Discuss with management, the internal auditors and the independent auditors the quality and adequacy of the Company's internal controls, including reviewing any internal control report prepared by management and any significant internal control deficiencies or material weaknesses, any fraud involving management or others significantly involved in the internal controls and any changes implemented in light of significant deficiencies or material weaknesses.
7. Review and discuss with management the Company's earnings release prior to its distribution. The Chair of the Committee may represent the entire Committee for purposes of this review.
8. Discuss with management the Company's policies with regard to financial information and earnings guidance provided to rating agencies or analysts, and review particular financial information and guidance to the extent the Committee deems advisable.

Oversight of the Company's Relationship with the Independent Auditors

9. Be directly responsible for the appointment, compensation, retention, oversight, evaluation and termination (subject to Member ratification) of the independent auditors engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services. The independent auditors shall report directly to the Committee. The Committee shall be responsible for the resolution of disagreements among management, the independent auditors and the internal auditors regarding financial reporting.
10. Review and pre-approve (a) all auditing services (including those performed for purposes of providing comfort letters and statutory audits) and (b) all non-auditing services rendered to the Company by the independent auditors, in each case including fees.
11. Review the independent auditors' audit plan, including scope, staffing, locations, reliance upon management and the internal auditors, and the general audit approach.
12. At least annually, obtain and review a report by the independent auditors describing: (i) the independent auditors' internal quality-control procedures; (ii) any material issues raised by the most recent internal quality-control review or peer review of the independent auditors, 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 independent auditors, and any steps taken to deal with any such issues; and (iii) all relationships between the independent auditors and the Company, including the matters covered by the applicable Public Company Accounting Oversight Board rules, and any relationships or services that may impact the objectivity and independence of the independent auditors.
13. After reviewing the report by the independent auditors described in Section 12 and the independent auditors' work, evaluate the independent auditors' qualifications, performance and independence. The Committee shall present its conclusions to the full Board. The evaluation shall include the review and evaluation of the lead partner(s) of the independent auditors and consideration of whether the independent auditors' quality controls are adequate and the

- provision of non-audit services is compatible with maintaining the independent auditors' independence. In making its evaluation, the Committee may take into account the opinions of any persons such as management and the internal auditors, as it deems appropriate.
14. Consider whether, in order to assure the continuing independence of the independent auditors, there should be regular rotation of the lead and reviewing audit partners (in addition to the rotation every five years required pursuant to Section 10A(j) of the Exchange Act), or of the outside audit firm.
 15. Establish clear hiring policies with respect to employees or former employees of the independent auditors (including a prohibition, as required by Section 10A(l) of the Exchange Act, against the Company's chief executive officer, controller, chief financial officer or chief accounting officer having worked on the Company's audit as an employee of the independent auditors at any time during the one-year period prior to the initiation of the current audit).

Oversight of the Internal Audit Function

16. Review and discuss with management, the independent auditors and the internal auditors the performance and adequacy of the internal audit function, including (a) the Internal Audit Department's Internal Audit Charter, responsibilities, organizational structure, budget, staffing and quality assurance program, (b) the annual audit plan and (c) any significant changes to the plan during the year.
17. Review and approve the appointment, replacement, reassignment or dismissal of the Company's senior internal audit executive and at least annually review his/her performance and concur with the annual compensation and any adjustments.

Risk Management; Related Party Transactions

18. Discuss with management and, to the extent appropriate, the internal auditors and the independent auditors, the Company's policies with respect to risk assessment and risk management, including the Company's major financial risk exposures and the steps management has taken to monitor and control these exposures.
19. Approve any transaction in which the Company is a participant, in which the amount involved exceeds \$120,000 and in which any related person has a direct or indirect material interest (in the meaning of Item 404 of Regulation S-K of the Securities Exchange Act of 1934, as amended), and review disclosures thereof.

Compliance Oversight Responsibilities

20. Confirm with the independent auditors that they are not aware of any information indicating that any illegal act has or may have occurred which would necessitate a response under Section 10A(b) of the Exchange Act.
21. Review with legal counsel, management, the internal auditors or the independent auditors, as the Committee deems appropriate, (a) any legal or regulatory matters that could have a significant impact on the financial statements, (b) the Company's policies and procedures regarding compliance with applicable laws and regulations and (c) any inquiries received from regulators or governmental agencies that could have a significant impact on the financial statements.
22. Based on its review and discussions referred to in items 1 through 21, determine whether to recommend to the Board that the audited financial statements be included in the Annual Report on Form 10-K.
23. Prepare the report of the audit committee required by the rules of the SEC to be included in the annual proxy statement.

24. Establish procedures for (a) the receipt, retention and treatment of complaints regarding accounting, auditing or internal accounting control matters and (b) the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
25. Review and approve the appointment, replacement, reassignment or dismissal of the Company's general counsel.

Governance Matters

26. Report regularly to the Board.
27. Review any requests for waivers of the Corporate Governance Guidelines.
28. Review its own performance and reassess the adequacy of this Charter at least annually in such manner as it deems appropriate and report the results of such evaluation, including any recommendations for change, to the full Board for review.

Access to Advisors; Investigations

29. The Committee shall have the authority to obtain advice and assistance from internal or external legal, accounting or other advisors, without having to seek Board approval.
30. The Committee shall determine the amount to be paid to the independent auditors and other advisors retained by the Committee.
31. The Committee shall have the authority to conduct or authorize investigations into or studies of any matters within the Committee's scope of responsibilities.

IV. Structure and Operations

The Board shall designate one member of the Committee to act as its Chairman. The Committee shall meet at least quarterly, with further meetings to occur when deemed necessary or desirable by the Committee or its Chairman.

The Committee may form and delegate authority to subcommittees. In particular, the Committee may delegate to one or more of its members the authority to pre-approve audit and/or non-audit services, provided that the decisions of any member(s) to whom pre-approval authority is delegated shall be presented to the Committee at the next Committee meeting.

The Chairman, with input from the other members of the Committee and, where appropriate, management and outside advisors, shall prepare and/or approve an agenda in advance of each meeting.

The Committee may request that any directors, officers or other employees of the Company, or any other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests. The Committee may exclude from its meetings any persons it deems appropriate.

The Committee shall maintain minutes or other records of its meetings.

The Committee shall give regular reports to the Board on its meetings and on such other matters as required by this Charter or as the Board shall from time to time specify.

Except as expressly provided in this Charter, the Bye-laws or the Corporate Governance Guidelines, or as required by law, regulation or NYSE listing standards, the Committee shall set its own rules of procedure.