

COMPENSATION COMMITTEE CHARTER

ALLEGHANY CORPORATION

I. FUNCTION:

The Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Alleghany Corporation (the “Corporation”) is charged with reviewing the compensation of the President and chief executive officer of the Corporation (the “Chief Executive Officer”) and making determinations with respect thereto; reviewing the annual recommendations of the Chief Executive Officer concerning the compensation of the other officers of the Corporation and making determinations with respect thereto; reviewing the annual adjustments proposed to be made to the compensation of certain of the highest-paid officers of the Corporation’s operating units and making such recommendations to the Board with respect thereto as the Committee may deem appropriate; reviewing the compensation of directors of the Corporation and proposing changes, as appropriate, to the Board; administering the Corporation’s equity-based and other compensation plans; and producing a report on executive compensation as required by the Securities and Exchange Commission (the “SEC”) to be included in the Corporation’s annual proxy statement.

II. ORGANIZATION:

- A. The Committee shall be composed of two or more directors appointed by the Board, each of whom shall be independent, as determined by the Board consistent with the requirements of the New York Stock Exchange (the “NYSE”). In addition, all members of the Committee shall meet the definitions of (a) a “non-employee director” within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, and (b) an “outside director” within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended. Subject to the foregoing, the Board may remove and replace members of the Committee in its discretion.
- B. The Committee shall meet at such times and upon such notice as it may determine.
- C. A majority of the members then in office shall constitute a quorum. The act of a majority of the members present at a meeting at which a quorum is present shall be the act of the Committee.
- D. The Board shall designate one of the members as Committee Chair. The Committee Chair will preside at each meeting. If the Committee Chair is not present at a meeting, the members present will designate one of the members present to act as Chair of the meeting.

- E. The Committee shall have the authority to form, and delegate its responsibilities to, a subcommittee of its members.

III. RESPONSIBILITIES AND AUTHORITY:

- A. The Committee shall review and approve the corporate goals and objectives relevant to the compensation of the Chief Executive Officer, evaluate the Chief Executive Officer's performance in light of such goals and objectives, and determine and approve the Chief Executive Officer's compensation based on such evaluation, including all adjustments to incentive compensation plans, retirement plans, other compensation plans and fringe benefits in which the Chief Executive Officer would participate; and shall report to the Board with respect thereto. In determining any long-term incentive component of the Chief Executive Officer's compensation, the Committee may consider, among other things, the Corporation's performance and relative stockholder return, the value of similar incentive awards to chief executive officers at comparable companies, and the awards given to the Chief Executive Officer in past years.
- B. The Committee shall review the recommendations submitted to it by the Chief Executive Officer with respect to adjustment of the compensation of the officers of the Corporation other than the Chief Executive Officer, including all recommended adjustments to incentive compensation plans, retirement plans, other compensation plans and fringe benefits in which such persons would participate; shall determine and approve the compensation of such officers of the Corporation other than the Vice President-Internal Audit, whose compensation will be determined by the Audit Committee of the Board; and shall report to the Board with respect thereto.
- C. The Committee shall make such recommendations (if any) to the Board as it shall deem appropriate with respect to incentive compensation and equity-based plans that are subject to approval of the Board.
- D. The Committee shall review the adjustments submitted to it which are proposed to be made to the compensation of the three highest-paid officers of each operating unit of the Corporation (determined on the basis of such officers' salaries after proposed adjustments), including proposed adjustments to all incentive compensation plans, retirement plans, other compensation plans and fringe benefits in which such persons would participate; shall report to the Board with respect thereto; and shall make such recommendations (if any) to the Board with respect thereto as the Committee in its discretion shall deem appropriate.

- E. The Committee shall be responsible for the administration of the Corporation's equity-based and other compensation plans to which the Board has delegated authority to the Committee.
- F. The Committee shall have, as an important objective, ensuring that the compensation practices of the Corporation and its subsidiaries are competitive and are effectively designed to attract, retain, and motivate highly qualified personnel.
- G. The Committee shall review and discuss with management the Compensation Discussion and Analysis (the "CD&A") required to be included in the Corporation's annual proxy statement and report on Form 10-K by the rules and regulations of the SEC, and, based on such review and discussion, determine whether to recommend to the Board that the CD&A be so included. The Committee shall also produce a report on executive compensation as required by SEC rules and regulations to be included in the Corporation's annual proxy statement.
- H. The Committee shall annually review the compensation of the directors, including compensation for service on Committees of the Board, and shall propose changes, as appropriate, to the Board.
- I. The Committee shall have the authority, in its sole discretion, to select and terminate any compensation consultant, outside legal counsel and any other external advisor as it deems necessary to fulfill its duties and responsibilities under this Charter (collectively, the "External Advisors"). The Committee shall be directly responsible for the appointment, compensation, and oversight of the work of any External Advisor retained by the Committee. The Committee shall receive appropriate funding from the Corporation, as determined by the Committee in its capacity as a committee of the Board, for the payment of reasonable compensation to its External Advisors. However, the Committee shall not be required to implement or act consistently with the advice or recommendations of any External Advisor, and the authority granted in this Charter shall not affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties under this Charter.

Prior to retaining any External Advisor, the Committee shall take into consideration all factors relevant to the External Advisor's independence from management, including those specified in the NYSE listing standards. Notwithstanding the foregoing, the Committee may retain or receive advice from any External Advisor it prefers, including those that are not independent, after considering the specified factors. The Committee is not required to assess the independence of any External Advisor that acts in a role limited to consulting on any broad-based plan that does not discriminate in scope, terms or operation in favor of executive officers or directors and that is generally available to all salaried

employees or providing information that is not customized for the Corporation or its subsidiaries or that is customized based on parameters that are not developed by the External Advisor, and about which the External Advisor does not provide advice.

The Committee shall ensure that any disclosure required by the rules and regulations of the SEC or NYSE related to the foregoing is included in the Corporation's annual proxy statement.

- J. In carrying out its duties and responsibilities, the Committee shall also have the authority to meet with and seek any information it requires from employees, officers or directors of the Corporation or external parties.
- K. The Committee shall annually evaluate its performance, the qualifications of its members and the adequacy of this Charter, and report thereon to the Board.
- L. The Committee shall keep regular minutes of its proceedings and shall report regularly to the Board.

As amended 2/25/14