



## **The Chubb Corporation**

### *Organization & Compensation Committee Charter*

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#### **Purpose**

The Organization & Compensation Committee is appointed by the Board to (a) discharge the Board's responsibilities relating to compensation of the Corporation's executives, (b) produce an annual report on executive compensation for inclusion in the Corporation's proxy statement in accordance with applicable rules and regulations of the SEC, and (c) recommend the form and amount of compensation for the non-management directors of the Board, subject to the review of the Corporate Governance & Nominating Committee, to the Board.

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#### **Committee Membership**

The Organization & Compensation Committee shall consist of at least three directors who shall be appointed by the Board on recommendation of the Corporate Governance & Nominating Committee. Organization & Compensation Committee members shall serve at the pleasure of the Board for such term or terms as the Board may determine and may be replaced by the Board.

Each of the members of the Organization & Compensation Committee shall be a member of the Board and shall otherwise be independent from the Corporation under applicable standards for director independence of the New York Stock Exchange. In addition, each of the members of the Organization & Compensation Committee shall meet the requirements of an "outside director" for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended, and the requirements of a "non-employee director" for purposes of Section 16 of the Securities Exchange Act of 1934, as amended.

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#### **Committee Structure and Operations**

The Board shall designate one member as the Chairman of the Organization & Compensation Committee. Such person shall also serve as a member of the Executive Committee of the Board. The Organization & Compensation Committee shall meet in person or telephonically at least four times a year at a time and place determined by the Chairman of the Organization & Compensation Committee, with further meetings to occur, or actions to be taken by unanimous written consent, when deemed desirable or appropriate by the Chairman of the Organization & Compensation Committee. The Organization & Compensation Committee may, in its discretion, form and delegate authority to one or more subcommittees.

The Chairman of the Organization & Compensation Committee may invite such members of management to attend meetings or portions thereof of the Organization & Compensation Committee as the Organization & Compensation Committee may deem desirable or appropriate, consistent with the maintenance of the confidentiality of compensation decisions. The Company's Chief Executive Officer (CEO) should not attend any portion of any meeting during which the CEO's performance or compensation are discussed, unless specifically invited to do so by the Chairman of the Organization & Compensation Committee.

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#### **Duties and Responsibilities**

The Organization & Compensation Committee shall be responsible for all matters for which the New York Stock Exchange or the SEC requires an organization/compensation committee to assume responsibility and shall have the powers necessary to fulfill such responsibilities. The following shall be the principal duties and responsibilities of the Organization & Compensation Committee:

1. In consultation with senior management, to establish the Corporation's general compensation philosophy and oversee the development and implementation of compensation, benefit and perquisite programs.

2. To review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of these goals and objectives, determine and approve the CEO's compensation level based on this evaluation and review these compensation decisions with the Board. In determining the long-term incentive component of CEO compensation, the Organization & Compensation Committee shall consider, among other factors it deems desirable or appropriate from time to time, the Corporation's performance and relative shareholder return (or other criteria) during such periods as the Organization & Compensation Committee may deem desirable or appropriate, the value of similar incentive awards to CEOs at comparable companies and awards given to the Corporation's CEO in past years.
3. To produce an annual report on executive compensation for inclusion in the Corporation's proxy statement in accordance with applicable rules and regulations of the SEC.
4. To review and approve (with such adjustments as the members deem appropriate) recommendations of the CEO with respect to compensation of other members of senior management and to review those compensation decisions with the Board.
5. To discharge any responsibilities imposed on the Organization & Compensation Committee under any of the Corporation's compensation plans or programs.
6. To oversee the Corporation's compliance with regulations with respect to compensation matters and with its policies on structuring compensation programs to preserve tax deductibility and, as and when required, to establish performance goals and certify that performance goals have been obtained for purposes of Section 162(m) of the Internal Revenue Code.
7. In consultation with management, as desirable or appropriate in the discretion of the Organization & Compensation Committee, to oversee the evaluation of the Corporation's senior management.
8. To oversee the succession planning process.
9. To review and approve any severance or similar termination arrangements proposed to be made with any current or former members of senior management.
10. To recommend the form and amount of compensation for the non-management directors for service on the Board and its respective committees, to review any such recommendation with the Corporate Governance & Nominating Committee for consideration of applicable rules and regulations relating to maintaining the independence of such directors and committee members and to submit the final recommendation of non-management director compensation to the Board for approval.
11. To review periodically any stock ownership guidelines applicable to senior management of the Corporation and to recommend to the Board adoption and/or revisions to any such guidelines, as the Organization & Compensation Committee may deem desirable or appropriate.
12. To make regular reports of its proceedings to the Board, which may take the form of oral reports given by the Chairman of the Organization & Compensation Committee or by any other member of the Organization & Compensation Committee designated from time to time by the Chairman of the Organization & Compensation Committee or by the Organization & Compensation Committee to make such reports.

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### **Annual Performance Evaluation and Charter Review**

The Organization & Compensation Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

The Organization & Compensation Committee shall produce and provide to the Corporate Governance & Nominating Committee an annual performance evaluation of the Organization & Compensation Committee, which evaluation shall compare the Committee's performance with the requirements of this Charter. The performance evaluation shall be conducted in such manner as the Organization & Compensation Committee deems desirable or appropriate. The report to the Corporate

Governance & Nominating Committee may take the form of an oral report by the Chairman of the Organization & Compensation Committee or by any other member of the Organization & Compensation Committee designated from time to time by the Organization & Compensation Committee or the Chairman of the Organization & Compensation Committee to make such report.

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### **Resources and Authority**

In carrying out its responsibilities, the Organization & Compensation Committee shall have the resources and authority the Organization & Compensation Committee may deem desirable or appropriate to discharge its duties and responsibilities, including the authority to obtain advice or assistance from internal or external legal, human resource, accounting or other experts, advisors or consultants as it deems desirable or appropriate, without seeking approval of the Board or management. The Organization & Compensation Committee shall have the sole authority to retain and terminate any compensation consultant to be used to assist in the evaluation of director, CEO or senior management compensation and to approve any such consultant's fees and other retention terms. The Organization & Compensation Committee may consult with management regarding the retention, compensation and termination of any such compensation consultant but may not delegate the ultimate authority for any such responsibilities.