

Enstar Group LTD
Form DEF 14A
March 26, 2015
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
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ENSTAR GROUP LIMITED

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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**NOTICE OF THE
2015 ANNUAL GENERAL MEETING
AND PROXY STATEMENT**

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DEAR FELLOW SHAREHOLDER:

On behalf of the Enstar Group Limited Board of Directors, I am pleased to invite you to attend Enstar Group Limited's 2015 Annual General Meeting of Shareholders on May 6, 2015 at 9:00 a.m. Atlantic time. This year the meeting will again be held at our Company headquarters at Windsor Place, 3rd Floor, 22 Queen Street, Hamilton, Bermuda. You can contact us at +1 (441) 292-3645 for directions.

A notice of the annual general meeting and the proxy statement follow. We have also included our Annual Report on Form 10-K for your information.

Your vote is very important. We urge you to vote as soon as possible using the internet, telephone, or, if you received a proxy/voting instruction card, by marking, dating, and signing it, and returning it by mail.

I look forward to seeing you at the 2015 Annual General Meeting, and I thank you for your continued support of Enstar.

Sincerely,

Robert J. Campbell

Chairman of the Board

**IMPORTANT NOTICE REGARDING THE AVAILABILITY
OF PROXY MATERIALS FOR THE ANNUAL GENERAL MEETING
OF SHAREHOLDERS TO BE HELD ON MAY 6, 2015**

This notice of meeting, the proxy statement, the proxy card and the annual report to shareholders for the year ended December 31, 2014 are available at <http://www.enstargroup.com/annual-proxy.cfm>.

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ENSTAR GROUP LIMITED

NOTICE OF 2015 ANNUAL GENERAL MEETING OF SHAREHOLDERS

MAY 6, 2015

To the shareholders of Enstar Group Limited:

Notice is hereby given that the 2015 Annual General Meeting of Shareholders of Enstar Group Limited (the Company) will be held on Wednesday, May 6, 2015 at 9:00 a.m. Atlantic time at our Company headquarters, located at Windsor Place, 3rd Floor, 22 Queen Street, Hamilton Bermuda, for the following purposes, as more fully described in the accompanying proxy statement:

1. To elect two Class III Directors nominated by our Board of Directors to hold office until 2018.
2. To hold an advisory vote to approve executive compensation.
3. To ratify the appointment of KPMG Audit Limited as our independent registered public accounting firm for 2015 and to authorize the Board of Directors, acting through the Audit Committee, to approve the fees for the independent registered public accounting firm.
4. To act on the election of directors for our subsidiaries.

Only holders of record of our voting ordinary shares at the close of business on March 13, 2015 are entitled to notice of and to vote at the meeting.

You are cordially invited to attend the Annual General Meeting in person. To ensure that your vote is counted at the meeting, however, please vote as promptly as possible. Submitting your proxy now will not prevent you from voting your shares at the meeting if you desire to do so, as your vote by proxy is revocable at your option in the manner described in the proxy statement.

By Order of the Board of Directors,

Audrey B. Taranto

Corporate Secretary

Hamilton, Bermuda

March 26, 2015

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Enstar Group Limited

2015 Proxy Statement

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To assist you in reviewing our proxy statement, we have summarized several key topics below. The following description is only a summary and does not contain all of the information that you should consider before voting. For more complete information, you should carefully review the rest of our proxy statement, as well as our Annual Report to Shareholders for the year ended December 31, 2014.

Annual General Meeting of Shareholders Information

| Date and Time | Place |
|--------------------------|--|
| May 6, 2015 | Enstar Group Limited's Corporate Headquarters |
| 9:00 a.m., Atlantic time | Windsor Place, 3 rd Floor, 22 Queen Street, Hamilton, Bermuda |
| Record Date | Voting |
| March 13, 2015 | Your vote is very important and we urge you to vote as soon as possible. See Question and Answer No. 10 on Page 3 for voting instructions. |

Voting Matters

| Proposal | Board of Directors' Vote Recommendation | Page References |
|---|--|---|
| 1. Election of Directors: | FOR the Director Nominees | Page 6 (Nominee Biographies) |
| <i>Dominic F. Silvester</i> | | Page 59 (Proposal No. 1) |
| <i>Kenneth W. Moore</i> | | |
| 2. Advisory Approval of Enstar's Executive Compensation | FOR | Page 31 (Compensation Discussion and Analysis) Page 48 (Summary Compensation Table) Page 49 (Realized Pay for 2014) |
| 3. Ratification of KPMG Audit Limited as the Independent Registered Public Accounting Firm for 2015 | FOR | Page 60 (Proposal No. 2) Page 61 (Proposal No. 3) Page 61 (Audit and Non-Audit Fees Table) |
| 4. Acting on Election of Directors for our Subsidiaries | FOR each Subsidiary Director Nominee | Page 63 (Proposal No. 4) |

Board Composition

The following describes our current Board composition, current committee assignments of each of our directors, and the number of meetings held in 2014.

| Director | Primary Occupation | Nominating and | | | | |
|-----------------------|---|--------------------|------------------------|----------------------|----------------------|-----------------|
| | | Board of Directors | Compensation Committee | Governance Committee | Investment Committee | Audit Committee |
| Robert J. Campbell* | Partner, Beck Mack and Oliver | Chair | ü | ü | Chair | Chair |
| Dominic F. Silvester | CEO, Enstar Group Limited | ü | | | | |
| B. Frederick Becker*+ | Chairman, Clarity Group, Inc. Senior Principal, Stone Point Capital | ü | Chair | Chair | | ü |
| James D. Carey | Managing Director, First Reserve | ü | | | ü | |
| Kenneth W. Moore* | EVP and Joint COO, Enstar Group Limited | ü | ü | | ü | ü |
| Paul J. O Shea | Managing Director, Goldman Sachs & Co. | ü | | | ü | |
| Sumit Rajpal* | | ü | | | ü | |
| 2014 Meetings | | 6 | 5 | 1 | 5 | 5 |

*Independent Director

+Appointed February 2015

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Corporate Governance

Enstar is committed to sound governance, and we employ a number of practices that the Board believes are in the best interest of the Company and our shareholders. Highlights of these practices are listed below.

| | |
|---|--|
| An independent director serves as Chairman of the Board | Maintain separate roles for the Chairman and the CEO |
| Majority of independent directors, entirely independent Audit, Compensation, and Nominating and Governance Committees | Alignment of pay and performance in executive officer compensation |
| Regular executive sessions of independent directors | Majority voting standard in uncontested elections of directors |
| Annual shareholder advisory votes on executive officer compensation | Anti-hedging policies in place (applicable to directors and all employees) |
| Engaged an independent compensation consultant | No shareholder rights plan (poison pill) |
| Executive officer change of control payments are double trigger | Perform robust risk assessment of compensation programs |
| Strong Code of Conduct that requires all employees and directors to adhere to high ethical standards | Increased the allocation to variable components of equity compensation |
| Board and Committee oversight of Enterprise Risk Management programs and processes | No tax gross-ups on change of control |
| No over-boarding. None of our current directors serve on the board of directors of more than one other public company | In the process of establishing new board-level Risk Committee and Underwriting Committee for 2015 in order to enhance our Board's oversight in these areas |
| Annual Board and Committee performance evaluations are conducted | Subsidiary boards maintain strong governance programs |
| Long-term incentive plan awards that we grant are designed to minimize equity dilution and burn rate | Equity incentive plan prohibits re-pricing of underwater stock options and SARs |

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Business Highlights

Enstar delivered strong financial and operational results for 2014. The performance in our core non-life run-off business was the primary driver, with solid contributions from Atrium and our life and annuities segments. This was also a year of integrating the Torus companies that we acquired April 1, 2014. We have made, and continue to make, significant progress in building our Torus active underwriting platform to support our future growth and long-term strategic objectives. Select highlights for the year include:

We increased our fully diluted net book value per share by 13.3% to an all-time high of \$119.22 this is a compound annual growth rate of 17.9% since we became a public company in 2007.

Our net earnings were \$213.7 million, an increase of 2.5% from 2013, and our highest annual total net earnings since becoming a public company.

We grew our business with the acquisition of A-rated global specialty insurer Torus, with total growth in reserves partially offset by reserve releases in our run-off companies. Thus far in 2015, we have acquired additional reserves of approximately \$1.4 billion related to non-life run-off acquisition activity (not reflected in this table).

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Executive Compensation

Philosophy:

We are a rapidly growing company operating in an extremely competitive and changing industry. Our compensation program is based on these core principles:

Induce performance consistent with clearly defined corporate objectives
Align our executives' long-term interests with those of our shareholders
Fairly compensate our executives
Retain and attract qualified executives who are able to contribute to our long-term success

Performance-Based Compensation:

Our annual incentive plan is funded based on enterprise-wide net after-tax profits, which we believe reflects and promotes our primary corporate objective of increasing our net book value per share over the long term.

Ø Executive incentive award payments are determined after the performance year by our Compensation Committee based on an evaluation of individual performance and contribution to operating results as well as advancement of our long-term strategic objectives.

Ø Decisions are subjective and not based on mandated, pre-established pay-out formulas, which we believe provides necessary flexibility for compensation in line with our program objectives.

Key Compensation Decisions for 2014 Performance Year:

Reflecting our strong results, acquisition achievements and execution of our strategies to position us for future growth and success, our Compensation Committee made the following key decisions:

Ø **Long-Term Incentive Awards** We made long-term incentive compensation grants of cash-settled stock appreciation rights (SARs) to our Chief Executive Officer and Joint Chief Operating Officers during 2014 (and to our Chief Financial Officer in early 2015), which vest in full three years from the grant date. The SARs would remain exercisable for one year following vesting. These awards significantly increased the weighting of long-term compensation as a component of total pay awarded for the year, further aligning the interests of our executives and shareholders.

Ø **Incentive Bonuses** We reduced incentive bonuses (by 29% for our Chief Executive Officer and on average by 33% for our other executive officers) to allocate compensation to long-term at risk incentive awards.

Ø **Base Salaries** Base salaries, which had remained flat in 2011, 2012, and 2013, increased by 3% for calendar year 2014, largely reflecting cost of living increases.

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Impact of Long-term Incentive Awards on 2014 Compensation:

The change in our compensation program to allocate more compensation to long-term incentive awards had a significant impact on the reported pay of our executives. By making SAR awards designed to drive increases in the value of our Company over the next three to four years, we increased the amount of performance-based / at risk compensation that we awarded to Dominic Silvester, our Chief Executive Officer, to 82% of his reported pay. He will not realize value from the SAR awards, if any, until August 2017. Our other executive officers also received SAR awards, either in 2014 or 2015.

This caused an increase in Chief Executive Officer pay reported in the Summary Compensation Table on page 48 from 2013 to 2014 and a decrease in realized pay, as shown in the Realized Pay Chart on page 49. Pay realized by Mr. Silvester in 2014 was 39% of pay reported for the year.

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ENSTAR GROUP LIMITED

Windsor Place, 3rd Floor

22 Queen Street

Hamilton, HM JX, Bermuda

PROXY STATEMENT

FOR

2015 ANNUAL GENERAL MEETING OF SHAREHOLDERS

QUESTIONS AND ANSWERS

1. Why am I receiving these proxy materials?

We have made these proxy materials available to you on the internet or, in some cases, have delivered printed copies of these proxy materials to you by mail in connection with the solicitation of proxies by the Board of Directors (the Board) of Enstar Group Limited (the Company) for use at the 2015 Annual General Meeting of Shareholders of the Company to be held on Wednesday, May 6, 2015 at 9:00 a.m. Atlantic time at our Company headquarters, Windsor Place, 3rd Floor, 22 Queen Street, Hamilton, Bermuda and at any postponement or adjournment thereof. These proxy materials are first being sent or given to shareholders on March 26, 2015. You are invited to attend the Annual General Meeting and are requested to vote on the proposals described in this proxy statement.

2. Why did I receive a one-page notice in the mail regarding the internet availability of proxy materials instead of a full set of proxy materials?

Pursuant to rules adopted by the Securities and Exchange Commission (the SEC), we have elected to provide access to our proxy materials via the internet. Accordingly, we are sending a Notice of Internet Availability of Proxy Materials (the Notice) to our shareholders. All shareholders will have the ability to access the proxy materials on the website referred to in the Notice or request to receive a printed set of the proxy materials. Instructions on how to access the proxy materials over the internet or to request a printed copy are included in the Notice. In addition, shareholders may request proxy materials in printed form by mail or electronically by email on an ongoing basis.

We believe that providing access to our proxy materials via the internet will expedite shareholders receipt of materials, while lowering costs and reducing the environmental impact of our Annual General Meeting because we will print and mail fewer full sets of materials.

3. What is included in these proxy materials?

These proxy materials include this proxy statement, our Annual Report to Shareholders for the year ended December 31, 2014 and, if you received printed copies of the proxy materials by mail, the proxy card. We have included the Annual Report for informational purposes and not as a means of soliciting your proxy.

4. What matters are being voted on at the Annual General Meeting?

Shareholders will vote on the following proposals at the Annual General Meeting:

1. To elect two Class III Directors nominated by our Board of Directors to hold office until 2018.
2. To hold an advisory vote to approve executive compensation.
3. To ratify the appointment of KPMG Audit Limited (KPMG) as our independent registered public accounting firm for 2015 and to authorize the Board of Directors, acting through the Audit Committee, to approve the fees for the independent registered public accounting firm.

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4. To act on the election of directors for our subsidiaries.
5. To transact such other business as may properly come before the meeting and any postponement or adjournment thereof.

5. What are the Board's voting recommendations?

The Board recommends that you vote your shares:

1. **FOR** the nominees to serve on our Board (Proposal No. 1).
2. **FOR** advisory approval of the resolution on our executive compensation (Proposal No. 2).
3. **FOR** the ratification of the appointment of KPMG as our independent registered public accounting firm for 2015 and the authorization of our Board, acting through the Audit Committee, to approve the fees for the independent registered public accounting firm (Proposal No. 3).
4. **FOR** each of the subsidiary director nominees (Proposal No. 4).

6. How can I get electronic access to the proxy materials?

The Notice includes instructions regarding how to:

View on the internet our proxy materials for the Annual General Meeting; and

Instruct us to send future proxy materials to you by email.

Our proxy materials are also available on our website under Annual General Meeting Materials at <http://www.enstargroup.com/annual-proxy.cfm>.

Choosing to receive future proxy materials by email will save us the cost of printing and mailing documents to you. If you choose to receive future proxy materials by email, you will receive an email message next year with instructions containing a link to those materials and a link to the proxy voting website. Your election to receive proxy materials by email will remain in effect until you terminate it.

7. Who may vote at the Annual General Meeting?

Only holders of record of our voting ordinary shares as of the close of business on March 13, 2015 (the record date) are entitled to notice of and to vote at the Annual General Meeting. Holders of our non-voting convertible common shares are welcome to attend the Annual General Meeting, but may not vote these shares at the meeting or any postponement or adjournment thereof. As used in this proxy statement, the term ordinary shares does not include our non-voting convertible common shares. As of the record date, there are 15,805,089 ordinary shares issued and outstanding and entitled to vote at the Annual General Meeting. Except as set forth in our bye-laws, each ordinary share entitles the holder thereof to one vote. In accordance with our bye-laws, certain shareholders whose shares represent 9.5% or more of the voting power of our ordinary shares are entitled to less than one vote for each ordinary share held by them.

Enstar Group Limited

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2015 Proxy Statement

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8. What is the difference between a shareholder of record and a beneficial owner of shares held in street name?

Shareholder of Record. If your shares are represented by certificates or book entries in your name so that you appear as a shareholder on the records of American Stock Transfer & Trust Company, our stock transfer agent, you are considered the shareholder of record with respect to those shares, and the Notice or, in some cases, the proxy materials, were sent directly to you. If you request printed copies of the proxy materials, you will also receive a proxy card.

Beneficial Owner of Shares Held in Street Name. If your shares are held in an account at a brokerage firm, bank, broker-dealer or other similar institution, then you are the beneficial owner of shares held in street name and the Notice was forwarded to you by that institution. The institution holding your account is considered the shareholder of record for purposes of voting at the Annual General Meeting. As a beneficial owner, you have the right to instruct that institution on how to vote the shares held in your account.

9. What do I do if I received more than one Notice or proxy card?

If you receive more than one Notice or proxy card because you have multiple accounts, you should provide voting instructions for all accounts referenced to be sure all of your shares are voted.

10. How do I vote?

We hope that you will be able to attend the Annual General Meeting in person. Whether or not you expect to attend the Annual General Meeting in person, we urge you to vote your shares at your earliest convenience by one of the methods described below, so that your shares will be represented.

Shareholders of record can vote any one of four ways:

VIA THE INTERNET

You may vote by proxy via the internet by following the instructions provided in the Notice.

BY MAIL

If you received printed copies of the proxy materials, you may vote by proxy by filling out the proxy card and sending it back in the envelope provided.

BY TELEPHONE

You may vote by proxy by calling the telephone number found on the internet voting site or on the proxy card, if you received a printed copy of the proxy materials. However, if you plan to vote for subsidiary directors on an individual basis under Proposal No. 4, you can do so only via internet or mail, or in person.

IN PERSON

You, or a personal representative with an appropriate proxy, may vote by ballot at the Annual General Meeting. We will give you a ballot when you arrive. If you need directions to the Annual General Meeting, please call our offices at (441) 292-3645.

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If you own shares in street name, you will receive instructions from the holder of record that you must follow in order for your shares to be voted. Internet and/or telephone voting also will be offered to shareholders owning shares through most banks and brokers. If you own shares in street name and you wish to attend the Annual General Meeting to vote in person, you must obtain a legal proxy from the institution that holds your shares and attend the Annual General Meeting, or send a personal representative with the legal proxy, to vote by ballot. You should contact your bank or brokerage account representative to learn how to obtain a legal proxy.

11. What is the voting deadline if voting by internet or telephone?

If you vote by internet or by telephone, you must transmit your vote by 11:59 p.m. Eastern time on May 5, 2015.

12. How can I attend the Annual Meeting?

You may attend the Annual General Meeting if you were an Enstar shareholder of record as of the close of business on March 13, 2015 or you hold a valid proxy for the Annual General Meeting. You should be prepared to present photo identification for admittance. If you are a shareholder of record, your name will be verified against the list of shareholders of record on the record date prior to your being admitted to the Annual General Meeting. If you are not a shareholder of record but hold shares through a broker, trustee or nominee, you should provide proof of beneficial ownership on the record date, such as a recent account statement showing your ownership, a copy of the voting instruction card provided by your broker, trustee or nominee, or other similar evidence of ownership.

13. What is the quorum requirement for the Annual General Meeting?

Two or more shareholders present in person or by proxy and entitled to vote at least a majority of the shares entitled to vote at the meeting constitute a quorum for the transaction of business at the meeting. Abstentions and broker non-votes will be included in determining the presence of a quorum at the meeting. A broker non-vote occurs when a beneficial owner of shares held in street name does not provide voting instructions and, as a result, the institution that holds the shares is prohibited from voting those shares on certain proposals. Shares that are properly voted on the internet or by telephone or for which proxy cards are properly executed and returned, but lacking voting directions, will be counted toward the presence of a quorum.

14. How are proxies voted?

Shares that are properly voted on the internet or by telephone or for which proxy cards are properly executed and returned will be voted at the Annual General Meeting in accordance with the directions given or, in the absence of directions, in accordance with the Board's recommendations as set forth in "What are the Board's voting

recommendations? above. If any other business is brought before the meeting, proxies will be voted, to the extent permitted by applicable law, in accordance with the judgment of the persons voting the proxies.

The manner in which your shares may be voted depends on how your shares are held. If you own shares of record, you may vote by proxy, meaning you authorize individuals named on the proxy to vote your shares. If you do not vote by proxy or in person at the Annual General Meeting, your shares will not be voted. If you own shares in street name, you may instruct the institution holding your shares on how to vote your shares. If you do not provide voting instructions, the institution may nevertheless vote your shares on your behalf with respect to the ratification of the appointment of KPMG as the Company's independent registered public accounting firm for 2015, but not on any other matters being considered at the meeting.

Table of Contents**15. What are the voting requirements to approve each of the proposals?**

| Proposal | Voting Requirements | Effect of Abstentions | Effect of Broker Non-Votes |
|---|---|------------------------------|-----------------------------------|
| 1. Election of Directors | Affirmative Vote of Majority of Votes Cast | No effect on outcome | No effect on outcome |
| 2. Advisory approval of the Company's executive compensation | Affirmative Vote of Majority of Votes Cast (to be approved on an advisory basis) | No effect on outcome | No effect on outcome |
| 3. Ratification of the appointment of KPMG Audit Limited as our independent registered public accounting firm for 2015 and to authorize the Board, acting through the Audit Committee, to approve its fees | Affirmative Vote of Majority of Votes Cast | No effect on outcome | No effect on outcome |
| 4. Election of Subsidiary Directors | Board will Cause our Corporate Representative or Proxy to Vote Subsidiary Shares in the Same Proportion as Votes Received | No effect on outcome | No effect on outcome |

16. Can I change my vote after I have voted?

You may revoke your proxy and change your vote at any time before the final vote at the Annual General Meeting. You may vote again on a later date via the internet or by telephone (in which case only your latest internet or telephone proxy submitted prior to 11:59 p.m. Eastern time on May 5, 2015 will be counted), by filling out and returning a new proxy card bearing a later date, or by attending the Annual General Meeting and voting in person. However, your attendance at the Annual General Meeting will not automatically revoke your proxy unless you vote again at the Annual General Meeting or specifically request that your prior proxy be revoked by delivering to our Corporate Secretary a written notice of revocation prior to the Annual General Meeting.

17. Who is paying for the cost of this proxy solicitation?

We will bear the cost of preparing and soliciting proxies, including the reasonable charges and expenses of brokerage firms or other nominees for forwarding proxy materials to the beneficial owners of our ordinary shares. In addition to solicitation by mail, certain of our directors, officers and employees may solicit proxies personally or by telephone or other electronic means without extra compensation, other than reimbursement for actual expenses incurred in connection with the solicitation.

Enstar Group Limited

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2015 Proxy Statement

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Our Board is divided into three classes designated Class I, Class II and Class III. The term of office for each of our Class III directors expires at this year's Annual General Meeting; the term of office for each of our Class I directors expires at our annual general meeting in 2016; and the term of office for each of our Class II directors expires at our annual general meeting in 2017. At each annual general meeting, the successors of the class of directors whose term expires at that meeting will be 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.

The Board believes that all of its directors have demonstrated professional integrity, ability and judgment, as well as leadership and strategic management abilities, and have each performed exceptionally well in their respective time served as directors. Several of our current directors have served as directors of the Company for a number of years, and during this time, we have experienced significant growth and success. Our directors who have joined in recent years have made significant contributions, drawing on backgrounds that are highly complementary to our growing Company. In February 2015, we were pleased to add B. Frederick (Rick) Becker as a new director.

Particular attributes that are significant to each individual director's selection to serve on the Board are described below.

Nominees**DOMINIC F. SILVESTER**

Director Since: 2001 **Age:** 54 **Class:** III

Enstar Officer Title: Chief Executive Officer

Biographical Information: Dominic Silvester has served as a director and the Chief Executive Officer of the Company since its formation in 2001. In 1993, Mr. Silvester began a business venture in Bermuda to provide run-off services to the insurance and reinsurance industry. In 1995, the business was assumed by Enstar Limited, which is now a subsidiary of the Company, and for which Mr. Silvester has since then served as Chief Executive Officer. Prior to co-founding the Company, Mr. Silvester served as the Chief Financial Officer of Anchor Underwriting Managers Limited from 1988 until 1993.

Skills and Qualifications: As a co-founder and CEO of the Company, Mr. Silvester contributes to the Board his intimate knowledge of the Company and the run-off industry. He is well known in the industry and is primarily responsible for identifying and developing our business strategies and acquisition opportunities on a worldwide basis. Mr. Silvester has served as our CEO since the Company's inception, demonstrating his proven ability to manage and grow the business.

Table of Contents**KENNETH W. MOORE**

Director Since: 2014 **Age:** 45 **Class:** III

Enstar Committees: Audit, Compensation, Investment

Biographical Information: Kenneth Moore is a Managing Director of First Reserve, a global energy-focused private equity and infrastructure investment firm, which he joined in 2004. Mr. Moore has overall responsibility for the firm's capital markets activities both in existing portfolio companies and with regard to its new acquisitions. His responsibilities also include investment origination, structuring, monitoring and strategy. Prior to joining First Reserve, he spent four years with Morgan Stanley in New York. Mr. Moore holds a B.A. degree from Tufts University and an M.B.A. from the Johnson School of Management at Cornell University.

Certain Other Directorships: Mr. Moore has served as a director of Cobalt International Energy, Inc., a publicly traded independent exploration and production company, since 2007. He previously served as a director of Torus Insurance Holdings Limited beginning in 2007 and as the Chairman of its Board from May 2012 until the closing of our acquisition of Torus on April 1, 2014.

Skills and Qualifications: Mr. Moore brings to our Board his 15 years of finance and capital markets experience, and knowledge gained from over a decade in the private equity business, including analyzing companies and their financial statements and selectively making acquisitions and investments. He has also gained valuable experience in serving on the boards of other publicly traded companies.

*Continuing Directors***ROBERT J. CAMPBELL**

Director Since: 2007 **Age:** 66 **Class:** I

Enstar Committees: Audit (Chair), Compensation, Investment (Chair), Nominating and Governance

Biographical Information: Robert Campbell was appointed as the independent Chairman of the Board in November 2011. Mr. Campbell has been a Partner with the investment advisory firm of Beck, Mack & Oliver, LLC since 1990.

Certain Other Directorships: Mr. Campbell is a director and chairman of the compensation committee of Boulevard Acquisition Corp., a blank check company that completed its initial public offering in February 2014. He previously served as a director of Camden National Corporation, a publicly traded company, from 1999 to 2014.

Skills and Qualifications: Mr. Campbell brings to the Board his extensive understanding of finance and accounting, which he obtained through over 40 years of analyzing financial services companies and which is very valuable in his role as chairman of our Audit Committee. In addition, Mr. Campbell's investment management expertise makes him a key member of our Investment Committee, of which he serves as chairman. In his three years as Chairman, Mr. Campbell has spent considerable time and energy gaining in-depth knowledge of our business, which is significant to the leadership and function of our Board.

Table of Contents**B. FREDERICK (RICK) BECKER**

Director Since: 2015 **Age:** 68 **Class:** II

Enstar Committees: Audit, Compensation (Chair), Nominating and Governance (Chair)

Biographical Information: Rick Becker is the Chairman of Clarity Group, Inc., a U.S. national healthcare professional liability and risk management organization, which he co-founded over 13 years ago. Prior to co-founding Clarity Group, Inc., he served as Chairman and Chief Executive Officer of MMI Companies, Inc. from 1985 until its sale to The St. Paul Companies in 2000. Mr. Becker has previously served as President and CEO of Ideal Mutual and McDonough Caperton Employee Benefits, Inc., and also served as State Compensation Commissioner for the State of West Virginia.

Certain Other Directorships: Mr. Becker currently serves as a director of private companies West Virginia Mutual Insurance Company, Barton and Associates, Inc., and Dorada Holdings Ltd. (Bermuda).

Skills and Qualifications: Mr. Becker is a valuable addition to our Board, having over 35 years of experience within the insurance and healthcare industries. He has an extensive background in risk management, which enhances our risk oversight and monitoring capabilities. The Board also values Mr. Becker's corporate governance experience, which he has gained from serving on many other boards over the years. In addition, his previous work on compensation matters makes him well-suited to serve as Chairman of our Compensation Committee.

JAMES D. CAREY

Director Since: 2013 **Age:** 48 **Class:** II

Enstar Committees: Investment

Biographical Information: James Carey is a senior principal of Stone Point Capital LLC, a private equity firm based in Greenwich, Connecticut. Stone Point Capital serves as the manager of the Trident Funds, which invest exclusively in the global financial services industry. Mr. Carey has been with Stone Point Capital and its predecessor entities since 1997. He previously served as a director of the Company from 2001 until January 31, 2007.

Certain Other Directorships: Mr. Carey currently serves on certain boards of the portfolio companies of the Trident Funds, including Citco III Limited, Eagle Point Credit Management LLC, Sedgwick Claims Management Services, Inc., Pierpont Capital Holdings LLC and Privilege Underwriters Inc. He previously served as non-executive chairman of PARIS RE Holdings Limited and as a director of Alterra Capital Holdings Limited, Cunningham Lindsey Group Limited and Lockton International Holdings Limited. Mr. Carey also serves as a director of Torus and the holding companies that we and Trident established in connection with the Atrium/Arden

and Torus co-investment transactions.

Skills and Qualifications: Having worked in the private equity business for the past 17 years, Mr. Carey brings an extensive background and expertise in the insurance and financial services industries, making him a valuable asset to our Board. His in-depth knowledge of investments and investment strategies is significant in his role on our Investment Committee, and his experience and insight into active underwriting businesses is also important given our recent acquisitions. We also value his experience serving on boards of directors of a number of companies in the industry, as well as his prior years of dedicated service on our Board.

Table of Contents**PAUL J. O SHEA**

Director Since: 2001 **Age:** 57 **Class:** I

Enstar Officer Title: Executive Vice President and Joint Chief Operating Officer

Biographical Information: Paul O Shea has served as a director, Executive Vice President and Joint Chief Operating Officer of the Company since our formation in 2001. In his role as an executive officer, he leads our mergers and acquisitions operations, including overseeing our transaction sourcing, due diligence, and negotiations processes. In 1994, Mr. O Shea joined Dominic F. Silvester and Nicholas A. Packer in their run-off business venture in Bermuda, and he served as a director and Executive Vice President of Enstar Limited, which is now a subsidiary of the Company, from 1995 until 2001. Prior to co-founding the Company, he served as the Executive Vice President, Chief Operating Officer and a director of Belvedere Group/Caliban Group from 1985 until 1994.

Skills and Qualifications: Mr. O Shea is a qualified chartered accountant who has spent more than 30 years in the insurance and reinsurance industry, including many years in senior management roles. As a co-founder of the Company, Mr. O Shea has intimate knowledge and expertise regarding the Company and our industry.

SUMIT RAJPAL

Director Since: 2011 **Age:** 39 **Class:** I

Enstar Committees: Investment

Biographical Information: Sumit Rajpal is a managing director of Goldman, Sachs & Co. He joined Goldman, Sachs & Co. in 2000 and became a managing director in 2007.

Certain Other Directorships: Mr. Rajpal serves as a director on the boards of Ipreo Parent Holdco LLC, ProSight Specialty Insurance Holdings, TransUnion Holding Company, Inc., Safe-Guard Products International, LLC, and Hastings Insurance Group, and is a board observer for SKBHC Holdings, LLC. Mr. Rajpal previously served on the boards of Validus Holdings, Ltd. (from 2008 until February 2011) and USI Holdings Corporation (from May 2007 to December 2012).

Skills and Qualifications: Mr. Rajpal brings to our Board his extensive knowledge of the global insurance and reinsurance industries, which he has gained through years of experience as an investor and director. His expertise in corporate finance and investing is highly valuable to our Board's oversight of capital planning and our Investment Committee's oversight of our investment portfolios.

Directorship Arrangements

We have previously entered into the following arrangements relating to directorships:

Recapitalization/Merger (2007) On January 31, 2007, in connection with the merger of one of our wholly-owned subsidiaries with The Enstar Group, Inc. (the Merger), we also completed a recapitalization transaction. Pursuant to the terms of the agreement governing the recapitalization, Paul J. O Shea and Dominic F. Silvester were named directors of the Company.

Goldman Sachs Investment (2011) On April 20, 2011, we entered into an Investment Agreement (the Investment Agreement) with certain affiliates of Goldman, Sachs & Co. (Goldman Sachs) and, pursuant to the agreement s terms, Sumit Rajpal was named a director of the Company.

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Torus Acquisition (2014) On April 1, 2014, we and the Trident V funds completed the acquisition of Torus Insurance Holdings Limited (Torus). In connection with the closing, we and First Reserve entered into a Shareholder Rights Agreement under which First Reserve has the right to designate one representative to our Board of Directors. This designation right terminates if First Reserve ceases to beneficially own at least 75% of the total number of voting and non-voting shares acquired by it at the closing. Pursuant to the Shareholder Rights Agreement, Kenneth Moore was named a director of the Company, effective as of the closing.

Independence of Directors

Following the appointment of Mr. Becker on February 25, 2015, our Board currently consists of seven directors, of which five are non-management directors. The Board determined that the following four directors are independent as defined by Nasdaq Marketplace Rule 5605(a)(2):

| Current Independent Directors: | |
|--------------------------------|--------------|
| Robert J. Campbell | Rick Becker |
| Kenneth W. Moore | Sumit Rajpal |

The Board made these determinations based primarily on a review of the responses of the directors to questions regarding employment and compensation history, family relationships and affiliations, and discussions with the directors. For details about certain relationships and transactions among us and our executive officers and directors, see [Certain Relationships and Related Transactions](#) beginning on page 28.

Board Leadership Structure

The Board has separated the positions of Chairman and Chief Executive Officer. Robert J. Campbell, an independent director, has served as Chairman since November 2011 (when our then Chairman and Chief Executive Officer, Dominic F. Silvester, recommended the separation of the positions). The Board believes that separating the roles of Chairman and CEO and having Mr. Campbell serve as Chairman is the most effective leadership structure for us at this time.

Mr. Campbell has served on our Board for over seven years. The Board believes he is well suited to assist with the execution of strategy and business plans, to play a prominent role in setting the Board's agenda, to act as the liaison between the Board and our senior management, and to preside at Board and shareholder meetings.

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The Board believes that our corporate governance structure appropriately satisfies the need for objectivity, and includes several effective oversight means, including:

- Ø the roles of Chairman and CEO are separated;
- Ø the Chairman is an independent director;
- Ø the Board is comprised of a majority of independent directors;
- Ø before or after regularly scheduled Board meetings, the independent directors meet in executive session to review, among other things, the performance of our executive officers; and
- Ø the Audit, Compensation and Nominating and Governance committees of the Board are comprised only of independent directors who perform key oversight functions, such as:

overseeing the integrity and quality of our financial statements,

overseeing risk assessment and management,

establishing senior executive compensation,

reviewing director candidates and making recommendations for director nominations, and

overseeing our corporate governance structure and practices.

The Board recognizes, however, that no single leadership model is right for all companies at all times and that, depending on the circumstances in the future, other leadership models might be appropriate for us.

Board Committees

Our Board has an Audit Committee, a Compensation Committee, a Nominating and Governance Committee and an Investment Committee. Each of our committees operates under a written charter that has been approved by our Board. The charters are reviewed annually by each respective committee, which recommends any proposed changes to our Board. Current copies of the charters for all of our committees are available on our website at <http://www.enstargroup.com/corporate-governance.cfm>. In addition, any shareholder may receive copies of these documents in print, without charge, by contacting Investor Relations at P.O. Box HM 2267, Windsor Place, 3rd Floor, 22 Queen Street, Hamilton, HM JX, Bermuda.

Our Board of Directors met a total of six times during the year ended December 31, 2014.

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The primary responsibilities of each of our committees, as well as the current composition of our committees and the number of committee meetings held during 2014, are described below.

| Audit Committee | |
|---|---|
| <p>The primary responsibilities of our Audit Committee include:</p> <ul style="list-style-type: none"> overseeing our accounting and financial reporting process, including our internal controls over financial reporting, overseeing the quality and integrity of our financial statements, reviewing the qualifications and independence of our independent auditor, reviewing the performance of our internal audit function and independent auditor, reviewing related party transactions, overseeing our compliance with legal and regulatory requirements, appointing and retaining our independent auditors, pre-approving compensation, fees and services of the independent auditors and reviewing the scope and results of their audit, and overseeing the process by which we undertake risk assessment and risk management, including discussing our financial risk exposures and the steps management has taken and is taking to monitor and control such exposures, although we expect some of this oversight to be transitioned to our Risk Committee during 2015. | <p>Committee Members:</p> <p>Robert J. Campbell (Chair)</p> <p>Rick Becker</p> <p>Kenneth W. Moore</p> <p>Number of Meetings in 2014:</p> <p>5</p> |

Each member of the Audit Committee is a non-management director and is independent as defined in Nasdaq Marketplace Rule 5605(a)(2) and under the Securities Exchange Act of 1934, as amended (the Exchange Act). Our Board has determined that Messrs. Campbell and Becker qualify as audit committee financial experts pursuant to the definition set forth in Item 407(d)(5)(ii) of Regulation S-K, as adopted by the SEC. Kenneth J. LeStrange (an independent director) served as a member of our Audit Committee until December 31, 2014. Mr. Becker was appointed to the committee effective February 25, 2015.

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Compensation Committee

The primary responsibilities of our Compensation Committee include:

determining the compensation of our executive officers,

establishing our compensation philosophy,

overseeing the development and implementation of our compensation programs, including our incentive plans and equity plans,

overseeing the risks associated with the design and operation of our compensation programs, policies and practices, and

periodically reviewing the compensation of our directors and making recommendations to our Board with respect thereto.

Each member of the Compensation Committee is a non-management director, is independent as defined in Nasdaq Marketplace Rule 5605(a)(2), and meets the enhanced independence standards applicable to compensation committee members in Nasdaq Marketplace Rule 5605(d)(2) and the Exchange Act. Additional information on the Compensation Committee and the role of management in setting compensation is provided below in Executive Compensation Compensation Discussion and Analysis beginning on page 31. Mr. LeStrange served as Chairman and member of the Compensation Committee until December 31, 2014.

Committee Members:

Rick Becker (Chair)

Robert J. Campbell

Kenneth W. Moore

Number of Meetings in

2014:

5

Nominating and Governance Committee

The primary responsibilities of our Nominating and Governance Committee include:

identifying individuals qualified to become directors and reviewing any candidates proposed by directors, management or shareholders,

Committee Members:

Rick Becker (Chair)

Robert J. Campbell

recommending committee appointments to the Board,

recommending the annual director nominees to the Board and the shareholders,

establishing director qualification criteria,

supporting the succession planning process, and

advising the Board with respect to corporate governance-related matters.

Number of Meetings in

2014:

1

Each member of the Nominating and Governance Committee is a non-management director and is independent as defined in Nasdaq Marketplace Rule 5605(a)(2). Mr. Becker joined the committee as Chairman on February 25, 2015.

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Investment Committee

The primary responsibilities of our Investment Committee include:

determining our investment strategy,

developing and reviewing our investment guidelines and overseeing compliance with these guidelines and various regulatory requirements and any applicable loan covenants,

overseeing our investments, including approval of investment transactions,

overseeing the selection, retention and evaluation of outside investment managers,

overseeing investment-related risks, including those related to the Company's cash and investment portfolios and investment strategies, and

reviewing and monitoring the Company's investment performance quarterly and annually against plan and external benchmarks agreed from time to time.

Four members of the Investment Committee (Messrs. Campbell, Carey, Moore and Rajpal) are non-management directors, and three members (Messrs. Campbell, Moore and Rajpal) are independent as defined in Nasdaq Marketplace Rule 5605(a)(2).

*Richard Harris is the Company's Chief Financial Officer. David Roche is an Executive Vice President of our subsidiary Enstar Limited. Cormac Treanor is Executive Vice President and Group Head of Life of our subsidiary Enstar (US) Inc. The Board has included Messrs. Harris, Roche and Treanor on the Investment Committee because it believes their respective knowledge and insight in investment and other Company matters provides a significant benefit to the function of the committee. In particular, the Board believes that Mr. Harris' insight into financial and accounting matters and knowledge of subsidiary portfolios, Mr. Roche's

Committee Members:

Robert J. Campbell (Chair)

James D. Carey

Kenneth W. Moore

Sumit Rajpal

Richard J. Harris*

David Roche*

Cormac Treanor*

Number of Meetings in

2013:

5

involvement in mergers and acquisitions, and Mr. Treanor's financial services and life insurance experience support the oversight of the Company's investments and add valuable skill sets to this committee.

Attendance at Meetings

We expect our directors to attend all meetings of our Board, all meetings of all committees of the Board on which they serve and each annual general meeting of shareholders, absent exigent circumstances.

In 2014, during the time they were serving, all of the directors other than Mr. Moore attended at least 75% of the meetings of the Board and the committees of the Board on which the director served and was not recused from attending. Due to our acquisitive business model, from time to time, a special meeting may be required solely with respect to a particular matter, such as an acquisition or significant new business transaction or investment, in which a director may be recused from participating due to a potential conflict of interest between the Company and the business of his primary employer. Where such a matter is the only material purpose for holding the special meeting, it

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is our practice that a recused director is not eligible to attend the meeting, and accordingly his attendance record would not be impacted. Mr. Moore, who became a director upon the closing of our acquisition of Torus, missed Board and committee meetings held on two consecutive days due to a scheduling conflict identified prior to his appointment.

All directors then serving attended the 2014 annual general meeting of shareholders, other than Mr. Rajpal, who participated in the meeting by telephone as an observer. His telephonic participation was not considered attendance due to our policy requiring in-person attendance for meetings. In addition, in 2014, our independent directors met each quarter in executive sessions without management.

Board Oversight of Risk Management

Effective risk oversight is an important priority for the Board, which has placed strong emphasis on ensuring we have a robust risk management framework to identify, measure, manage, report and monitor risks that affect the achievement of strategic, operational and financial objectives of the Company and our subsidiaries. Our Board and its committees have risk oversight responsibility and play an active role in overseeing management of the risks we face.

The overall objective of our risk management framework is to support good risk governance, support the achievement of business objectives and provide overall benefits to us by adding value to the control environment, and to contribute to an effective business strategy, efficiency in operations and processes, strong financial performance, accurate financial reporting, regulatory compliance, a good reputation with key stakeholders, business continuity planning, and capital planning.

Our enterprise risk management (ERM) consists of numerous processes and controls that have been designed by our senior management (including our risk management team), with oversight by our Board and its committees, managed by our senior executives, and implemented by employees across our organization. Risk assumption is inherent in our business, and appropriately setting risk appetite and executing our business strategies in accordance therewith is key to our performance. For more information on ERM, refer to Item 1 Business Enterprise Risk Management (ERM) beginning on page 33 of our Annual Report on Form 10-K for the year ended December 31, 2014.

The Board and its committees regularly review information regarding, among other things, our operations, loss reserves, acquisitions, credit, liquidity, investments, active underwriting and the risks associated with each. Management is responsible for the Company's risk management, including identifying, monitoring, prioritizing, and addressing risks, and management reports to the Board and its committees with respect thereto.

Following a review of the Company's growth and newer business segments, the Board recently determined that it would create a Risk Committee and an Underwriting Committee at the Board level to provide enhanced director oversight and involvement in these areas. During 2015, we expect to approve charters for these committees and appoint committee members, so that full engagement of these committees will commence.

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Our committees support the Board’s oversight of risk management in the following ways:

| Committee | Risk Management Responsibilities |
|--|---|
| Audit Committee | <p>Reviews our overall risk appetite with input from management</p> <p>Reviews our risk management methodologies</p> <p>Oversees management’s execution of our risk management objectives</p> <p>Discusses our financial risk exposures and the steps management has taken and is taking to monitor and control such exposures</p> <p>Receives direct reports from the Company’s Head of Internal Audit, who meets with the committee on a quarterly basis and maintains an open dialogue with the Audit Committee Chairman</p> <p>Receives direct reports on ERM, which is expected to occur during Risk Committee meetings in the coming year</p> |
| Compensation Committee | <p>Oversees risks relating to our compensation programs and plans (as more fully described in Executive Compensation Compensation Discussion and Analysis Compensation Risk Assessment on page 46)</p> <p>Conducts an annual risk assessment of our compensation programs to ensure they are properly aligned with Company performance and do not provide incentives for our employees to take inappropriate or excessive risks</p> |
| Nominating and Governance Committee | <p>Oversees risks relating to corporate governance matters, including with respect to reviewing Board and Committee composition and the Company’s relations with our shareholders</p> <p>Oversees and supports the Board in management succession planning</p> |

| | |
|-----------------------------|---|
| Investment Committee | Regularly evaluates and tests our investment portfolio and investment strategies under various stress scenarios |
| | Oversees compliance with investment guidelines, which assist us in monitoring our investment-related risks |
| | Monitors and evaluates our internal investment management department and external investment managers |
| | Oversees the Company's investment systems and technology resources and any associated risks |

Director Nominations, Qualifications and Recommendations

When identifying and evaluating director nominees, our Nominating and Governance Committee considers the nominees' personal and professional integrity, judgment, ability to represent the interests of the shareholders, and knowledge regarding insurance, reinsurance and investment matters, as well as other factors discussed below. The Nominating and Governance Committee has primarily identified candidates through its periodic solicitation of ideas from members of the Board, the Company's executive officers, and individuals known to the Board or executive officers, although in certain private placement or acquisition-related transactions, parties have obtained the right to designate a board representative.

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Several members of our Board recommended Rick Becker to the Nominating Committee as a potential candidate to fill the vacancy created by the resignation of Kenneth LeStrange, who left the Board on December 31, 2014 due to time constraints created by his commitments to other business interests. These directors were familiar with Mr. Becker's experience in the insurance industry and his service on other boards. Members of the Nominating Committee and the Board interviewed Mr. Becker, reviewed his qualifications, and recommended that he be appointed. Our Board of Directors is also continuing its ongoing recruitment efforts to identify additional high-quality independent directors, and has been working with a director search firm to find individuals who meet our criteria and complement and enhance our Board and its committees.

For incumbent directors, the committee reviews each director's overall service to the Company during the director's term, including the director's level of participation and quality of performance. The Nominating and Governance Committee considered and nominated the candidates proposed for election as director at the Annual General Meeting, with the Board unanimously agreeing on the nominees.

Director Qualifications

We seek to identify candidates who represent a mix of backgrounds and experiences that will improve the Board's ability, as a whole, to serve the needs of our Company and the interests of our shareholders. While we do not have a formal diversity policy for selection of directors, we consider diversity broadly to include differences of professional experience, individual attributes and skill sets, perspective, knowledge and expertise in substantive matters pertaining to our business and industry.

Given the complex nature of our business and the insurance and reinsurance industry, we seek to include directors whose experiences, although varying and diverse, are also complementary to and demonstrate a familiarity with the substantive matters necessary to lead the Company and navigate our run-off and active underwriting businesses.

Shareholder Recommendations

Shareholders may recommend candidates to serve as directors by submitting a written notice to the Nominating and Governance Committee at Enstar Group Limited, P.O. Box HM 2267, Windsor Place, 3rd Floor, 22 Queen Street, Hamilton, HM JX, Bermuda. Shareholder recommendations must be accompanied by sufficient information to assess the candidate's qualifications and contain the candidate's consent to serve as director if elected. Shareholder nominees will be evaluated by the Nominating and Governance Committee in the same manner as nominees selected by the committee.

Compensation Committee Interlocks and Insider Participation

No member of the Compensation Committee is or was during 2014 an employee, or is or ever has been an officer, of the Company. During the year ended December 31, 2014, no executive officer served as a member of the compensation committee or as a director of another entity having an executive officer serving on our Compensation Committee or as one of our directors.

Code of Conduct

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We have adopted a Code of Conduct that applies to all of our directors and employees, including all senior executive and financial officers. A copy of our Code of Conduct is available on our website at <http://www.enstargroup.com/corporate-governance.cfm> by clicking on Code of Conduct.

In addition, any shareholder may receive a copy of the Code of Conduct or any of our committee charters in print, without charge, by contacting Investor Relations at Enstar Group Limited, P.O. Box HM 2267, Windsor Place, 3rd Floor, 22 Queen Street, Hamilton HM JX, Bermuda. We intend to post any

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amendments to our Code of Conduct on our website. In addition, we intend to disclose any waiver of a provision of the Code of Conduct that applies to our senior executives and financial officers, by posting such information on our website or by filing a Form 8-K with the SEC within the prescribed time period.

Shareholder Communications with the Board

Shareholders and other interested parties may send communications to our Board by sending written notice to:

Enstar Group Limited

Attention: Corporate Secretary

P.O. Box HM 2267

Windsor Place, 3rd Floor

22 Queen Street

Hamilton, HM JX

Bermuda

The notice may specify whether the communication is directed to the entire Board, to the independent directors, or to a particular Board committee or individual director.

Our Corporate Secretary will handle routine inquiries and requests for information. If our Corporate Secretary determines the communication is made for a valid purpose and is relevant to the Company and its business, our Corporate Secretary will forward the communication to the entire Board, to the independent directors, to the appropriate committee chairman or to the individual director as the notice was originally addressed. At each regular meeting of our Board, our Corporate Secretary will present a summary of all communications received since the previous meeting that were not forwarded and will make those communications available to the directors on request.

Table of Contents**DIRECTOR COMPENSATION****2014 Director Compensation Program**

In 2014, our director compensation program included:

retainers payable quarterly for non-employee directors, the Chairman of the Board, and each committee chairman; and

meeting fees for all Board and committee meetings attended.

Directors who are employees of the Company receive no fees for their services as directors. Mr. Rajpal has waived all fees for his services as a director.

Our director retainer and meeting fees were as follows:

| 2014 Retainer Fees | Annual Amounts Payable | 2014 Meeting Fees | Amounts Payable for Attendance |
|--|-------------------------------|--|---------------------------------------|
| Non-Employee Directors | \$ 70,000 | Board Meetings | \$ 3,500 |
| Chairman of the Board | \$ 50,000 | Telephonic Board Meetings | \$ 1,000 |
| Audit Committee Chairman | \$ 10,000 | Audit Committee Meetings | \$ 1,500 |
| Compensation Committee Chairman | \$ 5,000 | Compensation Committee Meetings | \$ 1,250 |
| Nominating and Governance Committee Chairman | \$ | Nominating and Governance Committee Meetings | \$ |
| Investment Committee Chairman | \$ 5,000 | Investment Committee Meetings | \$ 1,250 |

Deferred Compensation Plan

The Amended and Restated Enstar Group Limited Deferred Compensation and Ordinary Share Plan for Non-Employee Directors (the Deferred Compensation Plan) provides each non-employee director with the opportunity to elect (i) to defer receipt of all or a portion of his cash or equity compensation until retirement or termination and (ii) to receive all or a portion of his cash compensation for services as a director in the form of our ordinary shares instead of cash.

Non-employee directors electing to defer compensation have such compensation converted into share units payable as a lump sum distribution after the director's separation from service as defined under Section 409A of the Internal Revenue Code of 1986, as amended (the Internal Revenue Code). The lump sum share unit distribution will be made in the form of ordinary shares, with fractional shares paid in cash. Non-employee directors electing to receive compensation in the form of ordinary shares would receive whole ordinary shares (with any fractional shares payable in cash) as of the date compensation would otherwise have been payable.

Table of Contents**Director Compensation Table**

The following table summarizes the compensation of our non-employee directors who served in 2014, and accordingly does not include Rick Becker, who joined our Board on February 25, 2015. All fees were earned in cash and deferred by the directors under our Deferred Compensation Plan; no stock awards, option awards, or other compensation were paid.

| Name | Fees Earned or Paid in Cash (\$) ⁽¹⁾ | Stock Awards (\$) ⁽²⁾ | Total (\$) |
|-------------------------------------|---|-------------------------------------|------------|
| Robert J. Campbell | \$167,000 | | \$167,000 |
| Charles T. Akre, Jr. ⁽³⁾ | \$38,654 | | \$38,654 |
| T. Whit Armstrong ⁽³⁾ | \$37,404 | | \$37,404 |
| James D. Carey | \$98,402 | | \$98,402 |
| Kenneth J. LeStrange ⁽³⁾ | \$100,000 | | \$100,000 |
| Kenneth W. Moore | \$68,750 | | \$68,750 |
| Sumit Rajpal ⁽⁴⁾ | | | |

(1) The directors elected to defer all of their fees in the form of share units pursuant to the Deferred Compensation Plan. See also footnote 2.

(2) Share units acquired for services in 2014 under the Deferred Compensation Plan were as follows: (a) Mr. Campbell 1,181.164 units; (b) Mr. Akre 281.902 units; (c) Mr. Armstrong 272.820 units; (d) Mr. Carey 575.060 units; (e) Mr. LeStrange 705.866 units; and (e) Mr. Moore 476.975 units. Total share units under the Deferred Compensation Plan held by directors as of the record date are described in the footnotes to the Principal Shareholders and Management Ownership table beginning on page 24.

(3) Messrs. Akre and Armstrong decided not to stand for re-election at last year's annual general meeting and accordingly resigned from the Board of Directors effective June 10, 2014. Mr. LeStrange resigned from the Board of Directors effective December 31, 2014. Following these resignations, the former directors received the following ordinary shares in settlement of share units held under the Deferred Compensation Plan: (a) Mr. Akre 5,062 shares; (b) Mr. Armstrong 6,687 shares; and (c) Mr. LeStrange 1,560 shares. Mr. Armstrong received an additional 14,922 shares in settlement of restricted share units he had received in the Merger in 2007, as well as \$113,164 in cash to settle 737.8 deferred units he also received in the Merger.

(4) Mr. Rajpal has waived all fees for his services.

Program Changes for 2015

In 2014, our Compensation Committee undertook a review of the director compensation program with support from our independent compensation consultant, McLagan. The review was conducted in conjunction with our ongoing recruitment efforts to identify additional high-quality independent

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directors, which included engaging a director search firm. The search firm provided us with feedback that our director compensation program was significantly below peer median and was unlikely to attract the caliber of candidates we are seeking. The primary deficiency identified in our director compensation program as compared to those of our peers was the lack of an equity retainer. Accordingly, the Compensation Committee recommended that the Board increase the annual non-employee director retainer fee to \$150,000, with \$75,000 payable in cash and \$75,000 payable in restricted stock that is subject to a one-year vesting period. The Board of Directors approved the increase, effective January 1, 2015. Directors may still elect to defer all or a portion of their compensation under the Deferred Compensation Plan. Portions of the equity retainer that are deferred under the plan are subject to the same one-year vesting conditions.

The compensation consultant's analysis also indicated that the annual Chairman retainer of \$50,000 was well below market within our peer group for a non-employee director Chairman. Following a review by the Compensation Committee, the matter was referred to the full Board, which reviewed the market data and assessed the considerable time, effort, and contributions of Mr. Campbell and increased the annual Chairman retainer fee to \$100,000, with \$50,000 payable in cash and \$50,000 payable in restricted stock subject to a one-year vesting period. Mr. Campbell did not participate in any discussions or decisions related to this matter. The increase was effective January 1, 2015.

For information on our peer group, the Committee's decision to engage McLagan, its assessment of McLagan's independence, and fees paid to McLagan and its affiliates during 2014, see Compensation Discussion and Analysis Competitive Pay and Role of Compensation Consultants (beginning on page 35).

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EXECUTIVE OFFICERS

Our current executive officers are as follows:

DOMINIC F. SILVESTER

Title: Chief Executive Officer

Since: 2001 **Age:** 54

Biographical Information: Dominic Silvester has served as a director and the Chief Executive Officer of the Company since its formation in 2001. In 1993, Mr. Silvester began a business venture in Bermuda to provide run-off services to the insurance and reinsurance industry. In 1995, the business was assumed by Enstar Limited, which is now a subsidiary of the Company, and for which Mr. Silvester has since then served as Chief Executive Officer. Prior to co-founding the Company, Mr. Silvester served as the Chief Financial Officer of Anchor Underwriting Managers Limited from 1988 until 1993.

PAUL J. O SHEA

Title: Executive Vice President and Joint Chief Operating Officer

Since: 2001 **Age:** 57

Biographical Information: Paul O Shea has served as a director, Executive Vice President and Joint Chief Operating Officer of the Company since our formation in 2001. He leads our mergers and acquisitions operations, including overseeing our transaction sourcing, due diligence, and negotiations processes. In 1994, Mr. O Shea joined Dominic F. Silvester and Nicholas A. Packer in their run-off business venture in Bermuda, and he served as a director and Executive Vice President of Enstar Limited, which is now a subsidiary of the Company, from 1995 until 2001. Prior to co-founding the Company, he served as the Executive Vice President, Chief Operating Officer and a director of Belvedere Group/Caliban Group from 1985 until 1994.

NICHOLAS A. PACKER

Title: Executive Vice President and Joint Chief Operating Officer

Since: 2001 **Age:** 52

Biographical Information: Nicholas Packer has served as Executive Vice President and Joint Chief Operating Officer of the Company since our formation in 2001. He has global responsibility for our insurance and reinsurance company operations, including oversight of our underwriting, claims, commutation, consulting and ceded reinsurance operations. In May 2014, he was named Executive Chairman and Chief Executive Officer of our Torus group of companies. From 1996 to 2001, he was Chief Operating Officer of Enstar (EU) Limited, a wholly-owned subsidiary of Enstar Limited (which is now a subsidiary of the Company). Mr. Packer served as Enstar Limited's

Chief Operating Officer from 1995 until 1996. In 1993, Mr. Packer joined Mr. Silvester in operating a run-off business venture in Bermuda. Prior to co-founding the Company, Mr. Packer served as Vice President of Anchor Underwriting Managers Limited from 1991 until 1993. Prior to joining Anchor, he was a joint deputy underwriter at CH Bohling & Others, an affiliate of Lloyd's of London.

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RICHARD J. HARRIS

Title: Chief Financial Officer

Since: 2003 **Age:** 53

Biographical Information: Richard Harris has served as Chief Financial Officer of the Company since May 2003. His responsibilities include overseeing our financial reporting, capital management, corporate finance, actuarial matters, tax, investments, and investor relations. Prior to joining the Company, Mr. Harris served as Managing Director of RiverStone Holdings Limited & Subsidiary Companies, the European run-off operations of Fairfax Financial Holdings Limited, from 2000 until April 2003. Previously, he served as the Chief Financial Officer of Sphere Drake Group.

ORLA M. GREGORY

Title: Chief Integration Officer

Since: 2015 **Age:** 40

Biographical Information: Orla Gregory was appointed as Chief Integration Officer in 2015. She previously served as Executive Vice President of Mergers and Acquisitions of our subsidiary, Enstar Limited, since May 2014, and prior to that was Senior Vice President of Mergers and Acquisitions since 2009. She has been with the Company since 2003. Ms. Gregory worked as Financial Controller of Irish European Reinsurance Company Ltd. in Ireland from 2001 to 2003. She worked in Bermuda from 1999 to 2001 for Ernst & Young as an Investment Accountant. Prior to this, Ms. Gregory worked for QBE Insurance & Reinsurance (Europe) Limited in Ireland from 1993 to 1998 as a Financial Accountant.

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The following table sets forth information as of March 13, 2015 (unless otherwise provided herein) regarding beneficial ownership of our voting ordinary shares by each of the following, in each case based on information provided to us by these individuals:

each person or group known to us to be the beneficial owner of more than 5% of our ordinary shares;

each of our current directors and director nominees;

each of the individuals named in the Summary Compensation Table on page 48; and

all of our current directors and executive officers as a group.

The following table describes the ownership of our voting ordinary shares, which are the only shares entitled to vote at the Annual General Meeting. In addition to voting ordinary shares, there are a total of 3,439,652 issued and outstanding non-voting ordinary shares. Of these shares, 2,725,637 are Series C non-voting ordinary shares owned by Goldman Sachs that, together with its 665,529 voting ordinary shares, represented an economic interest of over 18% as of March 13, 2015. First Reserve owns 714,015 Series E non-voting ordinary shares that, together with its voting shares, represented an economic interest of over 11.5% as of March 13, 2015. For additional information on our non-voting ordinary shares, refer to Note 14 to our consolidated financial statements beginning on page 212 of our Annual Report on Form 10-K for the year ended December 31, 2014.

Unless otherwise indicated, each person has sole voting and dispositive power with respect to all shares shown as beneficially owned by them.

| Name of Beneficial Owner | Number of Shares | Percent of Class ⁽¹⁾ |
|---|------------------|---------------------------------|
| The First Reserve Partnerships ⁽²⁾ | 1,501,211 | 9.50% |
| Trident V, L.P. and related affiliates ⁽³⁾ | 1,350,000 | 8.54% |
| Dominic F. Silvester ⁽⁴⁾ | 1,232,467 | 7.80% |
| Beck Mack & Oliver LLC ⁽⁵⁾ | 1,212,961 | 7.67% |
| Nicholas A. Packer ⁽⁶⁾ | 319,801 | 2.02% |
| Paul J. O Shea ⁽⁷⁾ | 186,060 | 1.18% |
| Robert J. Campbell ⁽⁸⁾ | 178,181 | 1.13% |
| Richard J. Harris | 66,814 | * |
| James. D. Carey ⁽⁹⁾ | 846 | * |
| Kenneth W. Moore ⁽¹⁰⁾ | 602 | * |
| Sumit Rajpal ⁽¹¹⁾ | 0 | * |
| Rick Becker ⁽¹²⁾ | 0 | * |
| All Current Executive Officer and Directors as a group (10 persons) ⁽¹³⁾ | 1,993,567 | 12.61% |

* Less than 1%

- (1) Our bye-laws would reduce the total voting power of any U.S. shareholder or direct foreign shareholder group owning 9.5% or more of our ordinary shares to less than 9.5% of the voting power of all of our shares.

- (2) Based on a Schedule 13D filed jointly on April 11, 2014 by (i) First Reserve Fund XII, L.P. (First Reserve XII), (ii) FR XII-A Parallel Vehicle, L.P. (FR XII-A), (iii) FR XI Offshore AIV, L.P. (FR XI Offshore AIV), (iv) FR Torus Co-Investment, L.P. (FR Co-Invest), together with First Reserve XII, FR XII-A and FR XI Offshore AIV, the First Reserve Partnerships), (v) First Reserve GP XII

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Limited (XII Limited), (vi) First Reserve GP XII, L.P. (XII GP), (vii) FR XI Offshore GP, L.P. (GP XI Offshore), (viii) FR XI Offshore GP Limited (GP XI Offshore Limited) and (ix) William E. Macaulay. Includes (a) 652,596 ordinary shares owned by First Reserve XII, (b) 11,715 ordinary shares owned by FR XII-A, (c) 809,989 ordinary shares owned by FR XI Offshore AIV, and (d) 26,911 ordinary shares owned by FR Co-Invest. XII Limited is the general partner of XII GP, which in turn is the general partner of each of First Reserve XII and FR XII-A. XII Limited is the general partner of FR Co-Invest. William E. Macaulay is a director of XII Limited, and has the right to appoint a majority of the Board of Directors of XII Limited. By virtue of Mr. Macaulay's right to appoint a majority of the directors of XII Limited, Mr. Macaulay may be deemed to have the shared power to vote or direct the vote of, and the shared power to dispose of or direct the disposition of, the ordinary shares held by each of First Reserve XII, FR XII-A and FR Co-Invest and therefore, Mr. Macaulay may be deemed to be a beneficial owner of such ordinary shares. GP XI Offshore is the general partner of FR XI Offshore AIV. GP XI Offshore Limited is the general partner of GP XI Offshore. Pursuant to the Shareholder Rights Agreement between Enstar and the First Reserve Partnerships and Corsair, Kenneth W. Moore was named to our Board of Directors. Mr. Moore is a Managing Director of First Reserve and has a less than 5% limited partnership interest in GP XI Offshore and XII GP and is a less than 10% owner of GP XI Offshore Limited and XII Limited. See footnote 10 with respect to 602 ordinary shares issuable to Mr. Moore pursuant to the Deferred Compensation Plan and not included in the First Reserve Partnerships' total reported holdings of 1,501,211 ordinary shares. Each of the above persons and entities, other than the First Reserve Partnerships as to their direct holdings, disclaims beneficial ownership of any of our ordinary shares held by the First Reserve Partnerships. The address of the above persons and entities is c/o First Reserve Management, L.P., One Lafayette Place, Greenwich, Connecticut 06830.

- (3) Based on information provided in a Schedule 13D filed jointly on November 15, 2013 by Trident V, L.P. (Trident V), Trident Capital V, L.P. (Trident V GP), Trident V Parallel Fund, L.P. (Trident V Parallel), Trident V Professionals Fund, L.P. (Trident V Professionals) and, together with Trident V and Trident V Parallel, the Partnerships), Stone Point Capital LLC (Stone Point) and SPC Management Holdings LLC. Consists of (a) 773,556 ordinary shares held by Trident V, (b) 542,505 ordinary shares held by Trident V Parallel, and (c) 33,939 ordinary shares held by Trident V Professionals. The sole general partner of Trident V is Trident V GP. The sole general partner of Trident V Parallel is Trident Capital V-PF, L.P. (Trident Capital V-PF). The sole general partner of Trident V Professionals is Stone Point GP Ltd. (together with Trident V GP and Trident Capital V-PF, the GPs). Each of the GPs holds voting and investment power with respect to the ordinary shares that are, or may be deemed to be, beneficially owned by the respective Partnership of which it is the general partner. In addition, the limited partnership agreements of each of the Partnerships have the effect of conferring dispositive power over the ordinary shares held by the Partnerships to Trident V and Trident V GP. Pursuant to certain management agreements, Stone Point has received delegated authority by the GPs to exercise voting rights of ordinary shares on behalf of the Partnerships, subject to certain limitations, but Stone Point does not have dispositive power over the ordinary shares held by the Partnerships. James Carey, a member of our Board, is a member and senior principal of Stone Point, an owner of one of four general partners of each of Trident V GP and Trident Capital V-PF, and a shareholder and director of Stone Point GP Ltd., which is the general partner of Trident V Professionals. See footnote 9 with respect to 846 ordinary shares issuable to Mr. Carey pursuant to the Deferred Compensation Plan and not included in the Partnerships' total reported holdings of 1,350,000 shares. Although these share units accrue to Mr. Carey personally, he holds these share units solely for the benefit of Stone Point, which may be deemed an indirect beneficial owner. The principal address for Trident V, Trident V GP, Trident V Parallel, Trident V Professionals and Stone Point is c/o Stone Point at its principal address, which is 20 Horseneck Lane, Greenwich, CT 06830.

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- (4) Includes 490,732 ordinary shares held directly by Mr. Silvester and 741,735 ordinary shares held by the Right Trust (167,000 of which have been pledged to secure a loan). Mr. Silvester and his immediate family are the sole beneficiaries of the Right Trust. The trustee of the Right Trust is R&H Trust Co. (BVI) Ltd., whose registered office is Woodbourne Hall, P.O. Box 3162, Road Town, Tortola, British Virgin Islands. Mr. Silvester's address is c/o Enstar Group Limited, P.O. Box 2267, Windsor Place, 3rd Floor, 22 Queen Street, Hamilton HM JX, Bermuda.
- (5) Based on information provided in a Schedule 13G filed on January 26, 2015 by Beck, Mack & Oliver LLC (Beck Mack), a registered investment adviser under Section 203 of the Investment Advisers Act of 1940. The ordinary shares beneficially owned by Beck Mack are owned by investment advisory clients of Beck Mack. These clients have the right to receive or the power to direct the receipt of, dividends from, or the proceeds from the sale of, such securities. No one of these clients owns more than 5% of the Company's ordinary shares. As of December 31, 2014, Beck Mack had shared dispositive power with respect to all of the shares and sole voting power with respect to 1,155,561 shares. The principal address for Beck Mack is 360 Madison Avenue, New York, NY 10017. Robert J. Campbell, one of our directors, is a Partner at Beck Mack. Beck Mack disclaims beneficial ownership of the ordinary shares of the Company that are, or may be deemed to be, beneficially owned by Mr. Campbell, which are described in footnote 8.
- (6) Includes (a) 16,695 ordinary shares held directly by Mr. Packer and (b) 303,106 ordinary shares held by Hove Investments Holding Limited, a British Virgin Islands company. The Hove Trust owns all of the equity interests of Hove Investments Holding Limited. Mr. Packer and his immediate family are the sole beneficiaries of the Hove Trust. The trustee of the Hove Trust is R&H Trust Co. (BVI) Ltd.
- (7) Includes (a) 31,629 ordinary shares held directly by Mr. O'Shea and (b) 154,431 ordinary shares held by the Elbow Trust. Mr. O'Shea and his immediate family are the sole beneficiaries of the Elbow Trust. The trustee of the Elbow Trust is R&H Trust Co. (BVI) Ltd.
- (8) Includes (a) 50,756 ordinary shares held directly by Mr. Campbell, (b) 42,500 ordinary shares held by a self-directed pension plan, (c) 32,300 ordinary shares owned by Mr. Campbell's spouse, (d) 25,050 ordinary shares owned by Osprey Partners, (e) 12,600 ordinary shares owned by Mr. Campbell's children, (f) 3,000 ordinary shares owned by the Robert J. Campbell Family Trust, (g) 2,500 ordinary shares owned by the F.W. Spellissy Trust, (h) 500 ordinary shares owned by the Amy S. Campbell Family Trust, and (i) 8,975 ordinary shares issuable pursuant to the Deferred Compensation Plan. Mr. Campbell disclaims beneficial ownership of the ordinary shares that are, or may be deemed to be, beneficially owned by Beck Mack.
- (9) Includes 846 ordinary shares issuable pursuant to the Deferred Compensation Plan held by Mr. Carey solely for the benefit of Stone Point, of which Mr. Carey is a senior principal. Mr. Carey disclaims beneficial ownership of these share units, except to the extent of his pecuniary interest therein, if any. Stone Point may be deemed an indirect beneficial owner of these ordinary shares. Does not include (a) 773,556 ordinary shares held by Trident V, (b) 542,505 ordinary shares held by Trident V Parallel, and (c) 33,939 ordinary shares held by Trident V Professionals. These shares are included in the table in the number of shares owned by the Partnerships and are described in footnote 3. Mr. Carey is a member of the investment committee and owner of one of the four general partners of both of Trident V GP (the general partner of Trident V) and Trident Capital V-PF (the

general partner of Trident V Parallel). Mr. Carey is also a member and senior principal of Stone Point and a shareholder and director of Stone Point GP Ltd., which is the general partner of Trident V Professionals. Mr. Carey disclaims beneficial ownership of the shares held of record or beneficially by the Partnerships, except to the extent of any pecuniary interest therein.

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- (10) Includes 602 ordinary shares issuable pursuant to the Deferred Compensation Plan. Mr. Moore is an employee of First Reserve Management, L.P., an affiliate of the First Reserve Partnerships. Mr. Moore disclaims beneficial ownership of any securities that may be deemed to be beneficially owned by the First Reserve Partnerships or any of their affiliates.
- (11) Mr. Rajpal disclaims beneficial ownership of the shares that relate to and are described in this footnote (except to the extent of his pecuniary interest therein, if any) and does not otherwise beneficially own any of our ordinary shares. In connection with two closings under the Investment Agreement dated April 20, 2011 among us and GSCP VI AIV Navi, Ltd., GSCP VI Offshore Navi, Ltd., GSCP VI Parallel AIV Navi, Ltd., GSCP VI Employee Navi, Ltd., and GSCP VI GmbH Navi, L.P. (collectively, the Purchasers), the Purchasers acquired 665,529 ordinary shares in the aggregate in addition to the 2,725,637 Series C non-voting ordinary shares referenced on page 24. Such shares may be deemed to be beneficially owned by Goldman Sachs, a broker or dealer registered under Section 15 of the Exchange Act and an investment adviser registered under Section 203 of the Investment Advisers Act of 1940. Please see the statement on Schedule 13D/A filed on December 27, 2011 by Goldman Sachs, the Purchasers and certain of their affiliates for a description of other of our ordinary shares that could be argued to be beneficially owned by Goldman Sachs, the Purchasers or their affiliates under certain theories. The general partner, managing general partner or other manager of each of the Purchasers is an affiliate of The Goldman Sachs Group, Inc. (GS Group). Goldman Sachs is a direct and indirect wholly-owned subsidiary of GS Group. Goldman Sachs is the investment manager of certain of the Purchasers. In accordance with SEC Release No. 34-39538 (January 12, 1998) (the Release), this proxy statement reflects the securities beneficially owned by certain operating units (collectively, the Goldman Sachs Reporting Units) of GS Group and its subsidiaries and affiliates. This filing does not reflect securities, if any, beneficially owned by any operating units of GS Group whose ownership of securities is disaggregated from that of the Goldman Sachs Reporting Units in accordance with the Release. The Goldman Sachs Reporting Units disclaim beneficial ownership of the securities beneficially owned by (i) any client accounts with respect to which the Goldman Sachs Reporting Units or their employees have voting or investment discretion, or both, and (ii) certain investment entities of which the Goldman Sachs Reporting Units act as the general partner, managing general partner or other manager, to the extent interests in such entities are held by persons other than the Goldman Sachs Reporting Units. The address of each of the persons mentioned in this paragraph is 200 West Street, New York, New York 10282.
- (12) Mr. Becker was appointed to the Board on February 25, 2015.
- (13) See footnote 4 and footnotes 6 through 12.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our directors and executive officers and persons who own more than ten percent of a registered class of our equity securities to file with the SEC and The Nasdaq Stock Market, LLC reports on Forms 3, 4 and 5 regarding their ownership of ordinary shares and other equity securities of the Company. Under SEC rules, we must be furnished with copies of these reports.

Based solely on our review of the copies of such forms received by us and written representations from our executive officers and directors, we believe that, during the year ended December 31, 2014, all filing requirements applicable to our directors and executive officers and persons who own more than ten percent of a registered class of our equity securities under Section 16(a) were complied with on a timely basis.

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CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Related Party Transaction Procedures

From time to time, we have participated in transactions in which one or more of our directors, executive officers or large shareholders has an interest. These transactions are described below. All related party transactions require the approval of our Audit Committee (a committee comprised entirely of independent directors), which reviews the transaction for fairness, business purpose, and reasonableness. Each transaction involving the Company and an affiliate entered into during 2014 was approved by our Audit Committee. Investment transactions are also subject to the review and approval of our Investment Committee.

In addition, our Board has adopted a Code of Conduct, which states that our directors, officers and employees must avoid engaging in any activity that might create a conflict of interest or a perception of a conflict of interest. These individuals are required to raise any proposed or actual transaction that they believe may create a conflict of interest for audit committee consideration and review. In any situation where an Audit Committee member could be perceived as having a potential conflict of interest, that member would be expected to recuse himself from the matter, and the non-interested members of the committee would review the transaction.

On an annual basis, each director and executive officer completes a Directors and Officers Questionnaire that requires disclosure of any transactions with the Company in which he, or any member of his immediate family, has a direct or indirect material interest. A summary of responses from the questionnaires is reported to the Audit Committee.

Investments and Transactions Involving Affiliates of Certain Shareholders

Transactions with Trident and its Affiliates

Following several private transactions occurring from May 2012 to July 2012, Trident V, L.P., Trident V Parallel Fund, L.P. and Trident V Professionals Fund, L.P. (collectively, Trident) acquired 1,350,000 of our ordinary shares (which now constitutes approximately 8.5% of our ordinary shares). On November 6, 2013, we appointed James D. Carey to our Board of Directors. Mr. Carey is the sole member of an entity that is one of four general partners of the entities serving as general partners for Trident, is a member of the investment committees of such general partners, and is a member and senior principal of Stone Point Capital LLC, the manager of the Trident funds.

Prior to Trident's acquisition of our ordinary shares in 2012, we decided to invest in two funds, Sky Harbor Global Funds (Sky Harbor) and Prima Mortgage Investment Trust (Prima), which are managed by companies in which the Trident funds have indirect ownership interests. Additional allocations to these investments were approved by our Audit and Investment Committees and made in subsequent years. As of December 31, 2014, we had made aggregate investments of \$150.0 million in Sky Harbor, which had an aggregate fair value of approximately \$156.1 million. As of December 31, 2014, we had made aggregate investments of \$30.0 million in Prima, with an aggregate fair value of approximately \$33.9 million. The Sky Harbor and Prima fund managers receive certain fees from us (included within our investment amounts) on terms no less favorable than for similarly situated investors. Subsequent to December 31, 2014, we made a commitment to invest up to an additional \$40.0 million in the Prima fund.

During 2014, we made a commitment to invest up to \$20.0 million in the Trident VI Parallel Fund, a fund managed by Stone Point Capital LLC. As of December 31, 2014, we had funded \$1.8 million of our commitment, and this investment had a fair value of \$1.6 million. Fees for this investment have

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been established on terms no less favorable than for similarly situated investors and are included within our investment amounts.

During 2014, we invested \$11.0 million in Eagle Point Credit Fund L.P., which is managed by Eagle Point Credit Management, a company affiliated with entities owned by Trident. Mr. Carey serves as a director of the managing entity. As of December 31, 2014, the fair value of this investment was \$11.0 million. The fund manager receives certain fees from us (included within our investment amounts) on terms no less favorable than for similarly situated investors. We also invested \$25.5 million in shares of common stock of Eagle Point Credit Company Inc., a registered investment company affiliated with Trident. As of December 31, 2014, the fair value of this investment was \$25.6 million. We also have separate accounts managed by Eagle Point Credit Management. The Company incurred approximately \$0.1 million in management fees for the year ended December 31, 2014 with respect to these separate accounts.

Before Mr. Carey joined our board, we invested \$20.0 million in Sound Point Capital Floating Rate Fund, a fund managed by Sound Point Capital. Mr. Carey has an indirect minority ownership interest in and serves as a director of, Sound Point Capital. As of December 31, 2014, the fair value of this investment was \$22.3 million. During 2014, we invested \$17.5 million in Sound Point Credit Opportunities Offshore Fund, Ltd., a fund managed by Sound Point Capital. This investment had a fair value of \$17.5 million as of December 31, 2014. Sound Point Capital receives certain fees from us (included within our investment amounts) on terms no less favorable than for similarly situated investors.

From time to time, certain of our directors and executive officers have made significant personal commitments and investments in entities that are affiliates of or otherwise related to Trident or Sound Point Capital, including some of the entities listed above. In addition, we have entered into certain agreements with Trident with respect to Trident's co-investments in the Atrium Underwriting Group Limited (Atrium), Arden Reinsurance Company Ltd. (Arden), and Torus acquisitions. These include investors' agreements and shareholders' agreements, which provide for, among other things: (i) the Company's right to redeem Trident's 39.3% equity interest in the Atrium/Arden and Torus transactions in cash at fair market value within the 90 days following the fifth anniversary of the Arden and Torus closings, respectively, and at any time following the seventh anniversary of the Arden and Torus closings, respectively; and (ii) Trident's right to have its 39.3% equity co-investment interests in the Atrium/Arden and Torus transactions redeemed by the Company at fair market value (which the Company may satisfy in either cash or its ordinary shares) following the seventh anniversaries of the Arden closing and Torus closing, respectively. As of December 31, 2014, we have included \$374.6 million as redeemable noncontrolling interest on our balance sheet relating to these Trident co-investment transactions.

Pursuant to the terms of the shareholders' agreements, Mr. Carey serves as a Trident representative on the boards of Torus and the holding companies established in connection with the Atrium/Arden and Torus co-investment transactions. Trident also has a second representative on these boards who is a Stone Point Capital employee.

Investment in Goldman Sachs Affiliates

Affiliates of Goldman Sachs & Co. (Goldman Sachs) own approximately 4.2% of our voting ordinary shares and 100% of our outstanding Series C non-voting convertible common shares. Sumit Rajpal, a managing director of Goldman Sachs, was appointed to our Board in connection with Goldman Sachs' investment in the Company.

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We have committed to invest up to \$30.0 million in Vintage VI, L.P., a fund affiliated with Goldman Sachs. As of December 31, 2014, we had funded approximately \$12.0 million of this investment, which had a fair value of \$11.7 million. We have also invested \$25.0 million in Goldman Sachs Global Strategic Income Bond Fund, a fund affiliated with Goldman Sachs. As of December 31, 2014, this investment had a fair value of \$24.6 million. The fund managers receive certain fees from us (included within our investment amounts) on terms no less favorable than for similarly situated investors.

We have also invested £12.5 million (approximately \$20.7 million) in indirect non-voting interests of two companies affiliated with Hastings Insurance Group Limited (Hastings). The fair value of this investment as of December 31, 2014 was \$25.1 million. Our interests are held in accounts managed by affiliates of Goldman Sachs. Goldman Sachs affiliates have an approximately 50% interest in the Hastings companies, and Mr. Rajpal serves as a director of the entities in which we have invested. In connection with the Hastings investment, Goldman Sachs receives certain fees from us (on terms no less favorable than for similarly situated investors) pursuant to the terms of the documents governing the investments. For the year ended December 31, 2014, these fees totaled approximately \$0.3 million.

During 2015, Goldman Sachs Asset Management, a Goldman Sachs affiliate, began providing investment management services to one of our subsidiaries pursuant to an arms-length agreement reflecting customary terms and conditions.

Affiliates of Goldman Sachs own approximately 22% of Global Atlantic Financial Group (GAFG), which owns entities that provide reinsurance to Arden. As at December 31, 2014, our total reinsurance recoverable from GAFG entities amounted to \$230.5 million. As of December 31, 2014, reinsurance balances recoverable from a particular non-rated GAFG entity with a carrying value of \$175.2 million represented 10% or more of our total non-life run-off reinsurance balances recoverable. The \$175.2 million recoverable from that GAFG entity at December 31, 2014 was secured by a trust fund. The balance of \$55.3 million as of December 31, 2014 was recoverable from GAFG entities rated A- and higher.

Indemnification of Directors and Officers; Director Indemnity Agreements

We have Indemnification Agreements with each of Messrs. Becker, Campbell, Carey, O'Shea, Moore, Packer, Rajpal and Silvester. Each Indemnification Agreement provides, among other things, that we will, to the extent permitted by applicable law, indemnify and hold harmless each indemnitee if, by reason of such indemnitee's status as a director or officer of the Company, such indemnitee was, is or is threatened to be made a party or participant in any threatened, pending or completed proceeding, whether of a civil, criminal, administrative, regulatory or investigative nature, against all judgments, fines, penalties, excise taxes, interest and amounts paid in settlement and incurred by such indemnitee in connection with such proceeding. In addition, each of the Indemnification Agreements provides for the advancement of expenses incurred by the indemnitee in connection with any proceeding covered by the agreement, subject to certain exceptions. None of the Indemnification Agreements precludes any other rights to indemnification or advancement of expenses to which the indemnitee may be entitled, including but not limited to, any rights arising under the Company's governing documents, or any other agreement, any vote of the shareholders of the Company or any applicable law.

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EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

Executive Summary

In 2014, we delivered strong financial and operational results, largely consistent with our performance in 2013, primarily as a result of our execution in our core non-life run-off business.

Financial Performance:

During 2014, we:

- Ø increased our fully diluted net book value per share by 13.3% to an all-time high of \$119.22 we have a compound annual growth rate of 17.9% since we became a public company in 2007; and
- Ø increased our net earnings by 2.5% to \$213.7 million, which is our highest annual total net earnings since becoming a public company.

Acquisitions:

In 2014, our total assets increased by 15.3% from \$8.62 billion as of December 31, 2013 to \$9.94 billion as of December 31, 2014, primarily due to our acquisition of Torus.

Ø We acquired a total of \$1.3 billion in additional combined gross loss reserves through 2014 transactions. Taking into account transactions completed in both 2013 and 2014, the combined total acquired gross loss reserves were approximately \$3.9 billion.

Ø We made significant strides in executing our strategies at Torus, as we integrated the company, began reducing its expense base, and made other significant operational improvements that we believe position Torus for future success.

Ø Newly acquired Atrium began to contribute to our net earnings, delivering a solid year of performance in challenging market conditions.

After considering these achievements, as well as Company and individual performance, the Compensation Committee (the Committee) made the following key compensation decisions with respect to the 2014 performance year for Dominic Silvester, Paul O Shea, Nicholas Packer, and Richard Harris (who were our four executive officers as of year-end):

Key Compensation Decisions:

Ø **Long-Term Incentive Awards** We made long-term incentive compensation grants of cash-settled stock appreciation rights (SARs) to our Chief Executive Officer and Joint Chief Operating Officers during 2014 (and to our Chief Financial Officer in early 2015), which vest in full three years from the grant date. The SARs would remain exercisable for one year following vesting. These awards significantly increased the weighting of long-term compensation as a component of total pay awarded for the year, further aligning the interests of our executives and shareholders.

Ø **Incentive Bonuses** We reduced incentive bonuses (by 29% for our Chief Executive Officer and on average by 33% for our other executive officers) to allocate compensation to long-term at risk incentive awards.

Ø **Base Salaries** Base salaries, which had remained flat in 2011, 2012, and 2013, increased by 3% for calendar year 2014, largely reflecting cost of living increases.

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Objectives of our Executive Compensation Program

Our Committee is responsible for establishing the philosophy and objectives of our compensation programs, designing and administering the various elements of our compensation programs and assessing the performance of our executive officers and the effectiveness of our compensation programs in achieving their objectives.

We are a rapidly growing company operating in an extremely competitive and changing industry. We believe that the skill, talent, judgment and dedication of our executive officers are critical factors affecting the long-term value of our company.

Therefore, our goal is to maintain an executive compensation program that will:

Induce performance consistent with clearly defined corporate objectives

Align our executives' long-term interests with those of our shareholders

Fairly compensate our executives

Retain and attract qualified executives who are able to contribute to our long-term success

We have specifically identified growing our net book value per share as our primary corporate objective over the long term.

We believe growth in our net book value is driven primarily by growth in our net earnings,

which is in turn driven in large part by:

successfully completing new acquisitions

effectively managing companies and portfolios of business that we previously acquired

executing on our active underwriting strategies

We also believe that the existing significant level of equity holdings of our executive officers creates alignment with our long-term interests, which the Committee takes into account in deciding what types of compensation to award, and which in recent years has resulted in a limited number of equity-based awards. During 2014, however, the Committee designed and introduced a long-term incentive component in the form of SARs. The new awards are intended to drive increases in the Company's net book value per share, which we believe will lead to an increase in the value of our Company, and, consequently, our stock price, while minimizing equity dilution.

We have not identified specific metrics or financial targets against which we measure the performance of our executive officers because we believe the structure of our 2011-2015 Annual Incentive Compensation Program (the Annual Incentive Plan), as described below, induces performance consistent with our corporate objectives, aligns our executives' long-term interests with those of our shareholders, and allows for flexibility to respond to performance in a manner not solely based on financial measures when circumstances warrant.

Results of Shareholder Vote on Compensation

At our 2014 annual general meeting, our shareholders approved the compensation of our executive officers with 88.7% of the total votes cast in favor of our executive compensation. The Committee reviewed and discussed the voting results and noted that the voting results were substantially the same as in 2013 when 88.4% of the total votes were cast in favor of our executive compensation. The Committee considered the continued positive shareholder

reaction as a factor in making compensation decisions for 2014. It also considered its discussions with our independent

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compensation consultant, its review of proxy advisory firm reports, and its own views as to how to promote shareholder alignment and achievement of long-term objectives. These factors collectively drove its decision to make a change from prior years and design a new long-term incentive component of executive compensation using cash-settled SARs.

The Committee will regularly review all aspects of our compensation program in determining the best structure to address our unique needs. We will continue to hold future shareholder votes on executive compensation on an annual basis, and the Committee will consider the outcome of our shareholder executive compensation votes each year.

Roles of Executive Officers

The Committee makes compensation determinations for all of the executive officers. As part of the determination process, Mr. Silvester, our Chief Executive Officer, assesses our overall performance and the individual contribution of each member of the executive leadership team. On an annual basis, he reviews the prior year's compensation and presents recommendations to the Committee for salary and bonus awards for each executive officer. He also makes recommendations regarding the overall size of the executive/employee bonus pool, which is 15% of our consolidated net after-tax profits unless the Committee exercises its discretion to decrease or increase the percentage. For the 2014 performance year, the Committee agreed with Mr. Silvester's recommendation and reduced the bonus pool marginally to 14.6%. Mr. Silvester was also involved in developing recommendations for the SAR awards made during the year, by working with the independent compensation consultant and the Committee to design the awards. The Committee discusses all recommendations with Mr. Silvester and then meets in executive session without Mr. Silvester present to evaluate the recommendations, review the performance of all of the executive officers, discuss Chief Executive Officer compensation, and make final compensation decisions.

Our Chief Executive Officer and Chief Financial Officer also support the Committee in its work by providing information relating to our financial results and plans, performance assessments of our executive officers, and other personnel-related data. Mr. Harris, our Chief Financial Officer, attends portions of the meetings of our Committee from time to time in connection with performing these functions.

Principal Elements of Executive Compensation

Our executive compensation program currently consists of three principal elements: base salaries, annual incentive compensation and long-term incentive compensation. Executives also receive certain other benefits, including those pursuant to their employment agreements. The table below describes the elements and the other components of our program, each of which are described in more detail later in this proxy statement.

| Principal Elements | Description | Key Features |
|--------------------|---|--|
| Base Salary | Provides the fixed portion of an executive's compensation that reflects scope of skills, experience and performance | Provides a base component of total compensation Established largely based on scope of responsibilities, market conditions, and individual and Company performance in the preceding year |

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| Principal Elements | Description | Key Features |
|----------------------------------|--|---|
| Annual Incentive Compensation | Provides at risk pay that reflects annual Company performance and individual performance | <p>Aligns executive and shareholder interests</p> <p>Designed to reward performance consistent with our primary corporate objective, influenced in large part by net earnings for the year but with built-in flexibility to allow for consideration of other factors</p> <p>With no mandated pay-out formulas, the Committee can exercise its judgment regarding the quality of both Company and individual performance and set pay appropriately in line with outcomes, strategic objectives and shareholder interests</p> |
| Long-Term Incentive Compensation | <p>Provides equity-based pay, aimed at incentivizing long-term performance</p> <p>Includes SARs, which represent the right to receive an amount in cash equal to the appreciation in value of one ordinary voting share of the Company above the fair market value on the grant date</p> <p>SARs are at risk, with the future value dependent on the value of Enstar shares beginning three years from the grant date</p> <p>SARs are designed to incentivize executives to drive long-term growth in book value</p> | <p>Aligns executive and shareholder interests</p> <p>Drives long-term performance and promotes retention</p> <p>New cash-settled SARs create direct alignment of executive compensation with long-term shareholder interests. Delayed vesting (the awards do not vest for three years from the date of grant) drives a focus on long-term success</p> <p>Limited period of exercisability after vesting (one year)</p> <p>Long-term equity grants have historically been limited due to significant existing shareholding positions of executive team</p> <p>Shareholder dilution issues are considered when making equity awards</p> |
| Other Benefits and Perquisites | Includes retirement benefits, Bermudian payroll and social insurance tax contributions, rental expense in respect of family relocation, and administrative assistance | <p>Provides benefits consistent with certain local market practices in our Bermuda location in order to remain competitive in the marketplace for industry talent</p> <p>Promotes retention of executive leadership team</p> |
| Employment Agreements | | |