

Flagstone Reinsurance Holdings, S.A.
Form PRE 14A
March 16, 2011

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

Filed by the Registrant
Filed by a Party other than the Registrant

Check the appropriate box:
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.. Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
.. Definitive Proxy Statement
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Flagstone Reinsurance Holdings, S.A.
(Name of Registrant as Specified In Its Charter)
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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3) Filing Party:
4) Date Filed:

Flagstone Reinsurance Holdings, S.A.
37, Val St. André
L-1128 Luxembourg
Grand Duchy of Luxembourg
RCS Luxembourg number: B153214

April , 2011

Dear Shareholder:

You are cordially invited to attend the 2011 Annual General Meeting of Shareholders (the “Annual General Meeting”) of Flagstone Reinsurance Holdings, S.A. (the “Company” or “we”) which will be held on May 12, 2011, at 2 p.m. (Central European Time) at Hôtel Le Royal Luxembourg, 12 Boulevard Royal, Luxembourg L-2449, Grand Duchy of Luxembourg. Details regarding the admission to the Annual General Meeting and the business to be conducted at the Annual General Meeting can be found in the attached Notice of Annual General Meeting and the attached Proxy Statement.

This year, we are pleased to be using the U.S. Securities and Exchange Commission rules that allow companies to furnish their proxy materials over the Internet. As a result, we are mailing to many of our shareholders a notice instead of a paper copy of this Proxy Statement and our 2010 Annual Report on Form 10-K (together with related documents, the “2010 Annual Report”). The notice contains instructions on how to access those documents over the Internet and how to receive a paper copy of our proxy materials, including this Proxy Statement, our 2010 Annual Report and a form of proxy card or voting instruction card. All shareholders who do not receive a notice, including shareholders who have previously requested to receive paper copies of proxy materials, will receive a paper copy of the proxy materials by mail unless they have previously requested delivery of proxy materials electronically. This distribution process will conserve natural resources and reduce the costs of printing and distributing our proxy materials.

If you are a shareholder of record who receives a notice and proxy card by registered mail from Luxembourg and who does not wish to attend the Annual General Meeting, your shares can be voted if you submit your written proxy by mail or by physical delivery to the registered office of the Company prior to the Annual General Meeting.

Your vote is important. Regardless of whether you plan to attend the Annual General Meeting in person, we hope that you will submit your proxy or voting instructions as soon as possible by following the instructions in these proxy materials.

I look forward to greeting those of you who are able to attend.

Sincerely,

David A. Brown
Chief Executive Officer

The attached Proxy Statement is dated April , 2011. The Proxy Statement (which includes, for Luxembourg law purposes, the Consolidated Management Report of the Board of Directors, the Authorized Statutory Auditor’s Reports

and the Luxembourg Statutory Accounts), the accompanying proxy card, the Notice of Annual General Meeting and the Company's 2010 Annual Report are first being made available to shareholders on or about April , 2011 and will be available from April , 2011 at the Company's registered office.

Flagstone Reinsurance Holdings, S.A.
37, Val St. André
L-1128 Luxembourg
Grand Duchy of Luxembourg
RCS Luxembourg number: B153214

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

TO BE HELD ON MAY 12, 2011

NOTICE IS HEREBY GIVEN that the 2011 Annual General Meeting of Shareholders (the “Annual General Meeting”) of Flagstone Reinsurance Holdings, S.A. (the “Company” or “we”) will be held on May 12, 2011, at 2 p.m. Central European Time at Hôtel Le Royal Luxembourg, 12 Boulevard Royal, Luxembourg L-2449, Grand Duchy of Luxembourg for the following purposes:

Ordinary Business

1. To elect four Class B directors to hold office until the 2014 annual general meeting of shareholders or until their respective successors have been duly elected or appointed.
2. To elect certain individuals as Designated Company Directors of certain of the Company’s non-U.S. subsidiaries.
3. To approve the appointment of Deloitte & Touche Ltd. (Bermuda) to serve as the Company’s Independent Registered Public Accounting Firm (the “Independent Auditor”) for fiscal year 2011 and until our 2012 annual general meeting of shareholders and to refer the determination of the auditor’s remuneration to the Board of Directors.
4. To approve, as required by Luxembourg law, the appointment of Deloitte S.A. (Luxembourg) to serve as the Company’s réviseur d’entreprises agréé (the “Authorized Statutory Auditor”) for the fiscal year 2011 and until our 2012 annual general meeting of shareholders.
5. To conduct an advisory vote on executive compensation.
6. To conduct an advisory vote on the frequency of holding future advisory votes on executive compensation.
7. To approve, as required by Luxembourg law, the consolidated financial statements of the Company prepared in accordance with U.S. GAAP and the annual accounts of the Company prepared in accordance with Luxembourg GAAP, in each case as at and for the year ended December 31, 2010 (together, the “Luxembourg Statutory

Accounts”).

8. To approve, as required by Luxembourg law, the Consolidated Management Report of the Board of Directors on the business of the Company in relation to the year ended December 31, 2010 and the Authorized Statutory Auditor’s Reports on the Luxembourg Statutory Accounts as at and for the year ended December 31, 2010.
 9. To allocate, as required by Luxembourg law, the Company’s results and part of its distributable reserves.
 10. To grant a discharge to each of the current and past directors and officers of the Company in respect to the performance of their mandates during the year ended December 31, 2010.
 11. To approve, as required by Luxembourg law, all interim dividends declared since the Company’s last annual general meeting of shareholders.
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Special Business

12. To approve amendments to the Articles of Incorporation (Statuts) to, among other things, (i) limit the voting rights of certain of the Company's U.S. shareholders under limited circumstances, (ii) clarify the roles of the Authorized Statutory Auditor and the Independent Auditor, (iii) clarify the authority of the Board of Directors of the Company to issue shares upon the conversion of convertible debt, (iv) amend the term "Warrant" and (v) change the date of the Company's annual general meetings.

The ordinary and special business of the Annual General Meeting set out above is described in more detail in this Proxy Statement and the proposals that form part of this Notice.

In addition, we will consider any other business as may properly come before the Annual General Meeting or any adjournment(s) thereof. The Company's audited consolidated financial statements for the fiscal year ended December 31, 2010, included in the 2010 Annual Report on Form 10-K (together with related documents, the "2010 Annual Report"), and the Luxembourg Statutory Accounts will be presented at the Annual General Meeting. The Consolidated Management Report of the Board of Directors, the Authorized Statutory Auditor's Reports and the Luxembourg Statutory Accounts are included in this Proxy Statement and will also be available for inspection at the Company's registered office at least 15 days prior to the Annual General Meeting and at the Annual General Meeting. At the Annual General Meeting, shareholders may also be asked to consider and take action with respect to such other matters as may properly come before the Annual General Meeting or any adjournment(s) thereof.

Your vote is very important. Whether or not you plan to attend the Annual General Meeting, we encourage you to read this Proxy Statement and submit your proxy or voting instructions as soon as possible. If you are a shareholder of record holding your shares directly in your name, you may submit your proxy by signing, dating and returning your proxy card in the enclosed postage-paid envelope or by personal delivery to the registered office of the Company. This proxy may be revoked if the shares are represented in person and voted at the Annual General Meeting by the record holder as of the date of the Annual General Meeting. If you are a beneficial owner holding your shares in "street name" (through a broker, bank, trustee or other nominee) as of the close of business on March 21, 2011, the record date fixed by our Board of Directors, you should submit your voting instructions in accordance with the instructions on the voting instruction form provided to you. For specific instructions on how to submit your proxy or voting instruction form, please refer to the section entitled Questions and Answers beginning on page 2 of this Proxy Statement.

The attached Proxy Statement is dated April , 2011. The Proxy Statement (which includes, for Luxembourg law purposes, the Consolidated Management Report of the Board of Directors, the Authorized Statutory Auditor's Reports and the Luxembourg Statutory Accounts), the accompanying proxy card, the Notice of Annual General Meeting and the Company's 2010 Annual Report are first being made available to shareholders on or about April , 2011 and will be available from April , 2011 at the Company's registered office.

By order of the Board of Directors,

William F. Fawcett
Corporate Secretary
Luxembourg, Grand Duchy of Luxembourg

Important Notice Regarding the Availability of Proxy Materials for the 2011 Annual
General Meeting of Shareholders
to be held on May 12, 2011.

The Notice of Annual General Meeting, the Proxy Statement and the 2010 Annual
Report are available at
<http://ir.flagstonere.com/phoenix.zhtml?c=205986&p=proxy>

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PROXY STATEMENT

General

This Proxy Statement has information about the 2011 Annual General Meeting of Shareholders (the “Annual General Meeting”) of Flagstone Reinsurance Holdings, S.A. (the “Company”) and was prepared by our management at the direction of Company’s Board of Directors (the “Board of Directors” or “Board”). This Proxy Statement is being made available to you over the Internet or mailed through the U.S. or Luxembourg postal service on or around April , 2011.

Annual General Meeting

Date: May 12, 2011
Time: 2 p.m. (Central European Time)
Place: Hôtel Le Royal Luxembourg
12 Boulevard Royal
Luxembourg L-2449
Grand Duchy of Luxembourg

Persons Making the Solicitation

Proxies in the form enclosed are being solicited by the Board of Directors. The persons named in the accompanying proxy card have been designated as proxies by the Board of Directors. Such persons designated as proxies serve as officers of the Company.

Board Recommendation

The Company’s Board of Directors recommends that you vote your shares:

“FOR” each of the Company’s nominees to the Board (Proposal No. 1);

“FOR” the Designated Company Directors (Proposal No. 2);

“THREE YEARS” for the proposal regarding the advisory vote on the frequency of the executive compensation advisory vote (Proposal No. 6); and

“FOR” all the other proposals.

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QUESTIONS AND ANSWERS

Voting

Why did I receive these materials?

The Board has made these materials available to you over the Internet or delivered paper copies of these materials to you by mail in connection with the solicitation of proxies for use at the Annual General Meeting, which will take place on May 12, 2011 at 2:00 p.m. Central European Time at Hôtel Le Royal Luxembourg, 12 Boulevard Royal, Luxembourg L-2449, Grand Duchy of Luxembourg. As a shareholder of the Company, you are invited to attend the Annual General Meeting and vote on the items of business described in this Proxy Statement.

What information is contained in this Proxy Statement?

This Proxy Statement includes information that we are required to provide to you under the rules of the U.S. Securities and Exchange Commission (“SEC”) and that relate to the proposals to be voted on at the Annual General Meeting, the voting process, compensation matters, corporate governance, information about our Board of Directors and certain related information. It also contains information required to be given to you pursuant to Luxembourg law.

What is included in the proxy materials?

The proxy materials include:

Our Proxy Statement for the Annual General Meeting (which includes, for Luxembourg law purposes, the Consolidated Management Report of the Board of Directors, the Authorized Statutory Auditor’s Reports and the Luxembourg Statutory Accounts);

Our 2010 Annual Report on Form 10-K (together with related documents, the “2010 Annual Report”); and

A proxy card or a voting instruction card (together, the “Proxy Materials”).

Who is entitled to vote?

If you are a shareholder of record holding your shares directly in your name, you may submit your proxy by signing, dating and returning your proxy card in the enclosed postage-paid envelope or by personal delivery to the registered office of the Company. This proxy may be revoked if the shares are represented in person and voted at the Annual General Meeting by the record holder as of the date of the Annual General Meeting. If you are a beneficial owner holding your shares in “street name” (through a broker, bank, trustee or other nominee) as of the close of business on March 21, 2011, the record date fixed by our Board of Directors, you should submit your voting instructions in accordance with the instructions on the voting instruction form provided to you.

How many votes do I have?

Each holder of a share entitled to vote will be entitled to one vote per share on each matter presented at the Annual General Meeting. On March 21, 2011, there were shares outstanding and entitled to vote at the Annual General Meeting.

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Why did I receive a notice in the mail regarding the Internet availability of the proxy materials instead of a full set of proxy materials?

This year, we are pleased to be using the SEC rules that allow companies to furnish their proxy materials over the Internet. As a result, we are mailing to many of our shareholders a notice of Internet availability of proxy materials instead of a paper copy of the proxy materials. All shareholders receiving the notice will have the ability to access the proxy materials over the Internet and request to receive a paper copy of the proxy materials by mail. Instructions on how to access the proxy materials over the Internet or to request a paper copy may be found in the notice. In addition, the notice contains instructions on how you may request to access proxy materials in printed form by mail or electronically on an ongoing basis.

Why didn't I receive a notice of Internet availability of proxy materials in the mail?

We are providing some of our shareholders, including shareholders of record, shareholders who have previously requested to receive paper copies of the proxy materials and some of our shareholders who are living outside of the United States, with paper copies of the proxy materials instead of a notice of Internet availability of proxy materials.

How can I access the proxy materials over the Internet?

Your notice of Internet availability of proxy materials, proxy card or voting instruction card will contain instructions on how to:

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

Instruct us to send our future proxy materials to you electronically by e-mail.

Our proxy materials are also available on the "Financial & Investor Information" section our website at www.flagstonere.com.

Your notice of Internet availability of proxy materials, proxy card or voting instruction card will contain instructions on how you may request to access proxy materials electronically on an ongoing basis. Choosing to access your future proxy materials electronically will help us conserve natural resources and reduce the costs of distributing our proxy materials. If you choose to access future proxy materials electronically, you will receive an e-mail with instructions containing a link to the website where those materials are available and a link to the proxy voting website. Your election to access proxy materials by e-mail will remain in effect until you terminate it.

How may I obtain a paper copy of the proxy materials?

Shareholders receiving a notice of Internet availability of proxy materials by mail will find instructions about how to obtain a paper copy of the proxy materials on the notice. All shareholders who do not receive a notice of Internet availability of proxy materials by mail will receive a paper copy of the proxy materials by mail.

I share an address with another shareholder, and we received only one paper copy of the proxy materials. How may I obtain an additional copy of the proxy materials?

The Company adopted a procedure called "householding," which the SEC has approved. Under this procedure, if you are a beneficial owner holding your shares in street name and you share an address with another shareholder, you may receive a single copy of the notice of Internet availability of proxy materials and, if applicable, the Proxy Materials,

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unless you have provided contrary instructions. This procedure reduces the Company's printing costs, mailing costs and fees. If you wish to receive a separate copy of the notice of Internet availability of proxy materials and, if applicable, these Proxy Materials now, please request the additional copy by contacting Broadridge, either by phone at 1-800-579-1639, by e-mail at sendmaterial@proxyvote.com or on the Internet at www.proxyvote.com. A separate set of Proxy Materials will be sent promptly following receipt of your request. All shareholders also may write to us at the address below to request a separate copy of these materials:

Flagstone Reinsurance Holdings, S.A.
Attn: Company Secretary
37, Val St. André
L-1128 Luxembourg
Grand Duchy of Luxembourg

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What should I do if I receive more than one notice of Internet availability of proxy materials or more than one paper copy of the proxy materials?

You may receive more than one notice or more than one paper copy of the proxy materials, including multiple paper copies of this Proxy Statement and multiple proxy cards or voting instruction cards. For example, if you hold your shares in more than one brokerage account, you may receive a separate notice or a separate voting instruction card for each brokerage account in which you hold shares. If you are a shareholder of record and your shares are registered in more than one name, you may receive more than one notice or more than one proxy card. To submit your proxy, you must complete, sign, date and return each proxy card and voting instruction card that you receive.

How may I obtain a copy of the Company's 2010 Annual Report and other financial information?

Shareholders may request a free copy of our 2010 Annual Report, which includes our 2010 Form 10-K, from:

Flagstone Reinsurance Holdings, S.A.
Attn: Company Secretary
37, Val St. André
L-1128 Luxembourg
Grand Duchy of Luxembourg

Alternatively, shareholders can access the 2010 Annual Report on Flagstone's website at www.flagstonere.com. We also will furnish any exhibit to the 2010 Form 10-K if specifically requested.

What proposals are being presented at the Annual General Meeting?

We intend to present several proposals for shareholder consideration and approval at the Annual General Meeting in connection with corporate matters. These proposals are:

Ordinary Business

To elect four Class B directors to hold office until the 2014 annual general meeting of shareholders or until their respective successors have been duly elected or appointed.

To elect certain individuals as Designated Company Directors of certain of the Company's non-U.S. subsidiaries.

To approve the appointment of Deloitte & Touche Ltd. (Bermuda) to serve as the Company's Independent Registered Public Accounting Firm (the "Independent Auditor") for fiscal year 2011 and until our 2012 annual general meeting of shareholders and to refer the determination of the auditor's remuneration to the Board of Directors.

To approve, as required by Luxembourg law, the appointment of Deloitte S.A. (Luxembourg) to serve as the Company's réviseur d'entreprises agréé (the "Authorized Statutory Auditor") for the fiscal year 2011 and until our 2012 annual general meeting of shareholders.

To conduct an advisory vote on executive compensation.

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To conduct an advisory vote on the frequency of holding future advisory votes on the executive compensation.

To approve, as required by Luxembourg law, the consolidated financial statements of the Company prepared in accordance with U.S. GAAP and the annual accounts of the Company prepared in accordance with Luxembourg GAAP, in each case as at and for the year ended December 31, 2010 (together, the “Luxembourg Statutory Accounts”).

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To approve, as required by Luxembourg law, the Consolidated Management Report of the Board of Directors on the business of the Company in relation to the year ended December 31, 2010 and the Authorized Statutory Auditor's Reports on the Luxembourg Statutory Accounts as at and for the year ended December 31, 2010.

To allocate, as required by Luxembourg law, the Company's results and part of its distributable reserves.

To grant a discharge to each of the current and past directors and officers of the Company in respect to the performance of their mandates during the year ended December 31, 2010.

To approve, as required by Luxembourg law, all interim dividends declared since the Company's last annual general meeting of shareholders.

Special Business

To approve amendments to the Articles of Incorporation (Statuts) to, among other things, (i) limit the voting rights of certain of the Company's U.S. shareholders under limited circumstances, (ii) clarify the roles of the Authorized Statutory Auditor and the Independent Auditor, (iii) clarify the authority of the Board of Directors of the Company to issue shares upon the conversion of convertible debt, (iv) amend the term "Warrant" and (v) change the date of the Company's annual general meetings.

What is the difference between holding shares as a shareholder of record and as a beneficial owner?

Most Flagstone shareholders hold their shares as a beneficial owner through a broker, bank, trustee or other nominee rather than directly in their own name. As summarized below, there are some distinctions between shares held of record and shares owned beneficially.

Shareholder of Record—If your shares are held directly in your name with Flagstone's transfer agent, you are considered, with respect to those shares, a "shareholder of record." As the shareholder of record, you have the right to grant your voting proxy directly to the Company or to a third party, or to vote in person at the Annual General Meeting if you hold your shares as of that date.

Beneficial Owner—If your shares are held through a broker, bank, trustee or other nominee, you are considered the "beneficial owner" of those shares held in "street name". As the beneficial owner of those shares on the record date fixed by the Board, you have the right to direct your broker, bank, trustee or other nominee how to vote and you also are invited to attend the Annual General Meeting. However, because your shares are not held directly in your name, you may not vote these shares in person at the meeting unless you obtain a "legal proxy" from the broker, bank, trustee or other nominee that holds your shares, giving you the right to vote the shares at the Annual General Meeting.

How do I attend the Annual General Meeting?

All shareholders are invited to attend the Annual General Meeting. For admission to the Annual General Meeting, shareholders of record should bring valid proof of identification as a shareholder as of the date of the Annual General Meeting. Those who have beneficial ownership of shares held in street name must bring account statements or letters from their brokers, banks, trustees or other nominees showing that they own shares of the Company as of the record date.

How can I vote my shares in person at the Annual General Meeting?

Shares held in your name as the shareholder of record as of the date of the Annual General Meeting may be voted in person at the Annual General Meeting. Shares that you hold in street name as of the record date may be voted in person at the Annual General Meeting only if you obtain a legal proxy from the broker, bank, trustee or other nominee that holds your shares giving you the right to vote the shares. Even if you plan to attend the Annual General Meeting, we recommend that you also submit your proxy or voting instruction card as described below so that your vote will be counted.

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How can I make sure my shares are voted without attending the Annual General Meeting?

Whether you hold shares directly as the shareholder of record or beneficially in street name, you may direct how your shares are voted without attending the Annual General Meeting. If you hold your shares directly in your name, you may submit your proxy by signing, dating and returning your proxy card in the enclosed postage-paid envelope or by personal delivery to the registered office of the Company. If you hold your shares in street name through a broker, bank, trustee or other nominee, you must follow the instructions on the voting instruction form provided to you.

What if I return my proxy or voting instruction card but do not mark it to show how I am voting?

Your shares will be voted according to the instructions you have indicated on your proxy or voting instruction card. If you sign and return your proxy card but do not indicate instructions for voting, your shares will be voted in accordance with the Board's recommendations, that is "FOR" each of the Company's nominees to the Board (Proposal No. 1), "FOR" the Designated Company Directors (Proposal No. 2), "THREE YEARS" for the proposal regarding the advisory vote on the frequency of the executive compensation advisory vote (Proposal No. 6), and "FOR" all the other proposals. With respect to any other matter which may properly come before the Annual General Meeting, your shares will be voted at the discretion of the proxy holders.

May I change or revoke my vote after I return my proxy or voting instruction card?

If you hold your shares directly in your name, you may change your vote in one of three ways at any time before it is exercised:

notify our Secretary in writing that you are revoking your proxy;

submit another proxy card with a later date; or

vote in person at the Annual General Meeting.

Your presence without voting at the Annual General Meeting will not automatically revoke your proxy, and any revocation during the meeting will not affect votes previously taken. If your shares are held in street name through a broker, bank, trustee or other nominee, you must follow the instructions on the voting instruction form provided to you in revoking your previously granted proxy.

What constitutes a quorum?

Generally, the presence, in person or by proxy, of two or more of shareholders entitled to vote at the Annual General Meeting constitutes a quorum for the conduct of ordinary business. However, Proposal No. 12 constitutes special business and requires the passing of a special resolution; therefore, the presence, in person or by proxy, of two or more shareholders representing together more than one half of the total outstanding capital of the Company constitutes a quorum for that proposal. Abstentions are counted for the purpose of determining the presence of a quorum.

What vote is required in order to approve each proposal?

The affirmative vote of a majority of the shares present, in person or by proxy, at the Annual General Meeting and entitled to vote on the proposal is generally required to approve each of the proposals to be acted on at the Annual General Meeting as ordinary business. However, the affirmative vote of more than two-third of the shares present, in person or by proxy, at the Annual General Meeting and entitled to vote on the proposal is required for the approval of

Proposal No. 12.

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How will voting on any other business be conducted?

Other than matters incidental to the conduct of the Annual General Meeting, we do not know of any business or proposals to be considered at the Annual General Meeting other than those set forth in this Proxy Statement. If any other business is proposed and properly presented at the Annual General Meeting, the proxies received from our shareholders give the proxy holders the authority to vote on the matter at their discretion.

Where can I find the voting results of the Annual General Meeting?

We intend to announce preliminary voting results at the Annual General Meeting and publish final results in a Current Report on Form 8-K to be filed to the SEC within four business days of the Annual General Meeting.

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THE ANNUAL GENERAL MEETING

Date, Time and Place

The Annual General Meeting will be held on May 12, 2011 at 2 p.m. (Central European Time) at Hôtel Le Royal Luxembourg, 12 Boulevard Royal, Luxembourg L-2449, Grand Duchy of Luxembourg.

We are first making these Proxy Materials available to shareholders by mail and over the Internet beginning on or about April , 2011.

Company's Mailing Address

Flagstone Reinsurance Holdings, S.A.
37, Val St. André
L-1128 Luxembourg
Grand Duchy of Luxembourg
+352 273 515 02

Purpose of the Meeting

At the meeting, the Board of Directors will ask our shareholders to vote:

Ordinary Business

Proposal 1: To elect four Class B directors to hold office until the 2014 annual general meeting or until their respective successors have been duly elected or appointed.

Proposal 2: To elect certain individuals as Designated Company Directors of certain of the Company's non-U.S. subsidiaries.

Proposal 3: To approve the appointment of Deloitte & Touche Ltd. (Bermuda) to serve as the Company's Independent Registered Public Accounting Firm (the "Independent Auditor") for fiscal year 2011 and until our 2012 annual general meeting of shareholders and to refer the determination of the auditor's remuneration to the Board of Directors.

Proposal 4: To approve, as required by Luxembourg law, the appointment of Deloitte S.A. (Luxembourg) to serve as the Company's réviseur d'entreprises agréé (the "Authorized Statutory Auditor") for the fiscal year 2011 and until our 2012 annual general meeting of shareholders.

Proposal 5: To conduct an advisory vote on executive compensation.

Proposal 6: To conduct an advisory vote on the frequency of holding future advisory votes on the executive compensation.

Proposal 7: To approve, as required by Luxembourg law, the consolidated financial statements of the Company prepared in accordance with U.S. GAAP and the annual accounts of the Company prepared in accordance with Luxembourg GAAP, in each case as at and for the year ended December 31, 2010 (together, the "Luxembourg Statutory Accounts").

Proposal 8: To approve, as required by Luxembourg law, the Consolidated Management Report of the Board of Directors on the business of the Company in relation to the year ended December 31, 2010 and the Authorized Statutory Auditor's Reports on the Luxembourg Statutory Accounts as at and for the year ended December 31, 2010.

Proposal 9: To allocate, as required by Luxembourg law, the Company's results and part of its distributable reserves.

Proposal 10: To grant a discharge to each of the current and past directors and officers of the Company in respect to the performance of their mandates during the year ended December 31, 2010.

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Proposal 11: To approve, as required by Luxembourg law, all interim dividends declared since the Company's last annual general meeting of shareholders.

Special Business

Proposal 12: To approve amendments to the Articles of Incorporation (Statuts) to, among other things, (i) limit the voting rights of certain of the Company's U.S. shareholders under limited circumstances, (ii) clarify the roles of the Authorized Statutory Auditor and the Independent Auditor, (iii) clarify the authority of the Board of Directors of the Company to issue shares upon the conversion of convertible debt, (iv) amend the term "Warrant" and (v) change the date of the Company's annual general meetings.

The matters described in this Proxy Statement are the only matters that we know will be voted on at the Annual General Meeting. If other matters are properly presented at the Annual General Meeting, the proxy holders will vote your shares as they see fit.

Board Recommendation

The Board of Directors recommends that you vote your shares "FOR" each of the Company's nominees to the Board (Proposal No. 1), "FOR" the Designated Company Directors (Proposal No. 2), "THREE YEARS" for the proposal regarding the advisory vote on the frequency of the executive compensation advisory vote (Proposal No. 6), and "FOR" all the other proposals.

Revocability of Proxy

If your shares are held directly in your name, you may change your vote in one of three ways at any time before it is exercised:

notify our Secretary in writing that you are revoking your proxy;

submit another proxy card with a later date; or

vote in person at the Annual General Meeting.

Your presence without voting at the Annual General Meeting will not automatically revoke your proxy, and any revocation during the meeting will not affect votes previously taken. If your shares are held in street name through a broker, bank, trustee or other nominee, you must follow the instructions on the voting instruction form provided to you in revoking your previously granted proxy.

Dissenter's Right of Appraisal

The Board of Directors has not proposed for consideration at the Annual General Meeting any matter for which the laws of Luxembourg entitle shareholders to appraisal rights.

Persons Making the Solicitation

Proxies in the form enclosed are being solicited by the Board of Directors. The persons named in the accompanying proxy card have been designated as proxies by the Board. Such persons designated as proxies serve as officers of the

Company.

We will pay the entire cost of preparing, assembling, printing, mailing and distributing these Proxy Materials and soliciting votes. We have engaged Okapi Partners LLC as the proxy solicitor for the Annual General Meeting for an aggregate fee of approximately \$25,000. In addition to the use of the mails and the Internet, certain of our directors, officers or employees may solicit proxies by telephone or personal contact. Upon request, we will reimburse brokers, banks, trustees or other nominees, for reasonable expenses incurred by them in forwarding Proxy Materials to beneficial owners of shares.

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Interest of Certain Persons in Matters to be Acted Upon

Other than for any interest arising from the ownership of our common shares or any nominee's election to office, the Company is not aware of any substantial interest of any director, executive officer, nominee for election as a director or associate of any of the foregoing in any matter to be acted upon at the Annual General Meeting.

Voting Securities

Number of Shares Outstanding

On March 21, 2011, shares were issued and entitled to be voted at the meeting.

Voting Rights

Shareholders have one vote for each share held by them.

Principal Holders of Common Shares

Our directors and executive officers have indicated that they intend to vote their shares in favor of (i) each of the Company's nominees to the Board (Proposal No. 1), (ii) the Designated Company Directors (Proposal No. 2), (iii) holding an advisory vote on executive compensation every three years (Proposal No. 6), and (vi) all the other proposals.

Voting Procedures

Quorum

Generally, the presence, in person or by proxy, of two or more of shareholders entitled to vote at the Annual General Meeting constitutes a quorum for the conduct of ordinary business. However, Proposal No. 12 constitutes special business and requires the passing of a special resolution; therefore, the presence, in person or by proxy, of two or more shareholders representing together more than one half of the total outstanding capital of the Company constitutes a quorum for that proposal. Abstentions are counted for the purpose of determining the presence of a quorum. Shareholders are entitled to vote on each matter to be voted upon by the shareholders at the Annual General Meeting, in accordance with the voting rights afforded under Article 42 of the Company's Articles of Incorporation (the "Articles").

Voting in Person

If you hold your shares directly in your name, you may vote in person at the Annual General Meeting. If your shares are held in street name through a broker, bank, trustee or other nominee, you may vote in person the Annual General Meeting only if you obtain a legal proxy from the broker, bank, trustee or other nominee that holds your shares. Even if you plan to attend the Annual General Meeting, we recommend that you also submit your proxy or voting instruction card as described below so that your vote will be counted.

Submitting your Proxy; Record Date

Whether you hold shares directly in your name or in street name through a broker, bank, trustee or other nominee, you may direct how your shares are voted without attending the Annual General Meeting. If hold your shares directly in

your name, you may submit your proxy by signing, dating and returning your proxy card in the enclosed postage-paid envelope or by personal delivery to the registered office of the Company. This proxy may be revoked if the shares are represented in person and voted at the Annual General Meeting by the record holder as of the date of the Annual General Meeting. If your shares are held in street name through a broker, bank, trustee or other nominee as the record date fixed by our Board of Directors, you should submit your voting instructions in accordance with the instructions on the voting instruction form provided to you.

You may abstain on any of the proposals by marking "ABSTAIN" with respect to any proposal.

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The matters described in this Proxy Statement are the only matters that we know will be voted on at the Annual General Meeting. If other matters are properly presented at the Annual General Meeting, the proxy holders will vote your shares as they see fit.

If you do not appoint a proxy and you do not vote at the Annual General Meeting, you will still be bound by the outcome. You therefore are strongly urged to attend and submit your proxy or voting instruction card as soon as possible.

Abstentions and Broker Non-Votes

Pursuant to Luxembourg law, the shares with respect to which a stockholder abstains and broker “non-votes” are included in determining whether a quorum is present at the Annual General Meeting. However, abstentions and broker “non-votes” are not included in the determination of the common shares voting of the relevant matter. A broker “non-vote” occurs when nominees, such as brokers, banks, trustees or other nominees, holding shares on behalf of beneficial owners, do not receive voting instructions from the beneficial holders at least ten days before the Annual General Meeting.

Vote Required for Approval

The affirmative vote of a majority of the shares present, in person or by proxy, at the Annual General Meeting and entitled to vote on the proposal is generally required to approve each of the proposals to be acted on at the Annual General Meeting as ordinary business. However, the affirmative vote of more than two-third of the shares present, in person or by proxy, at the Annual General Meeting and entitled to vote on the proposal is required for the approval of Proposal No. 12.

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PROPOSAL 1 – ELECTION OF DIRECTORS

The Articles provide for a classified Board of Directors of no fewer than ten and no more than twelve directors, divided into three classes of as nearly equal size as possible. The Board of Directors currently consists of eleven directors. Each director is elected for a three-year term. At the Annual General Meeting, our shareholders will elect the Class B directors, who will be elected for a term ending at the 2014 annual general meeting. Our incumbent Class A and Class C directors are elected for a term ending at the 2012 and 2013 annual general meetings, respectively.

At its meeting on February 17, 2011, the Board of Directors nominated Messrs. Black, Dickson, Spiering and Thorn for re-election as Class B directors at the Annual General Meeting. Each of these directors has indicated that he will offer himself for re-election to the Board of Directors.

If any nominee shall, prior to the Annual General Meeting, become unavailable for election as a director, the persons named in the accompanying proxy card will vote for such other nominee, if any, in their discretion as may be recommended to the Board of Directors.

NOMINEES

Mr. Gary Black
Mr. Thomas Dickson
Mr. Jan Spiering
Mr. Wray T. Thorn

The respective ages, business experience, directorships and committee memberships for the nominees are set out in “Our Directors” below. All of the nominees currently serve as directors of the Company.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE “FOR” THE ELECTION OF THE FOUR DIRECTORS NAMED ABOVE.

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PROPOSAL 2 – ELECTION OF SUBSIDIARY DIRECTORS

Under the proposed Company’s Articles (Proposal No. 12), the boards of directors of each non-U.S. subsidiary of the Company that is regulated as an insurance company in its home jurisdiction must consist of persons who have been elected by our shareholders as Designated Company Directors.

The persons named below currently serve as directors and have been nominated to serve as Designated Company Directors of each such subsidiaries indicated below. If any nominee shall, prior to the Annual General Meeting, become unavailable for election as a director, the persons named in the accompanying proxy card will vote for such other nominee, if any, in their discretion as may be recommended to the Board of Directors.

Flagstone Capital Management (Bermuda)
Limited

David Brown(1)
William Fawcett(2)
James O’Shaughnessy
Venkateswara Rao Mandava(3)
Brenton Slade(4)

Flagstone Réassurance Suisse SA

David Brown(1)
Guy Swayne(5)
Frédéric Traimond(6)
Karl Grieves
David Flitman(7)
Gary Prestia(8)
Patrick Boisvert(9)

Flagstone Réassurance Suisse SA (Bermuda
Branch)

Guy Swayne(5)
David Brown(1)
Frédéric Traimond(6)
Karl Grieves
David Flitman(7)
Gary Prestia(8)
Patrick Boisvert(9)

Mont Fort Re Ltd.

David Brown(1)
William Fawcett(2)
James O’Shaughnessy
Brenton Slade(4)

Mosaic Underwriting Services (Dubai)
Limited

Chris Jarvis
Guy Swayne(5)
John Hyland

Flagstone Underwriters Middle East LTD

John Hyland
Guy Swayne(5)

Flagstone Syndicate Management Limited

Frédéric Traimond(6)

Flagstone Reinsurance Africa Limited

James O’Shaughnessy

Anthony P. Latham(10)
Nicholas Pawson
Iain Macdowall
Karl Grieves
Leslie Allen
David Young
Tony Hulse
Ian Mallery
Guy Swayne(5)
Paul Chubb
Richard Housley
Cynthia Hallman

Karl Grieves
Howard Cheetham
Steve Handler
Phillip Pettersen
Stephen Smith
Guy Swayne(5)
Frédéric Traimond(7)

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Island Heritage Insurance Company NV Island Heritage Insurance Company Limited

J. Bryan O’Neal

J. Bryan O’Neal

Flagstone Underwriters Latin-America
Limited A.I.

Guy Swayne(5)
David Brown(1)
James O’Shaughnessy
Ralph Rexach

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- (1) See biography of Mr. Brown under “Our Directors” below.
 - (2) See biography of Mr. Fawcett under “Executive Officers” below.
 - (3) See biography of Mr. Mandava under “Executive Officers” below.
 - (4) See biography of Mr. Slade under “Executive Officers” below.
 - (5) See biography of Mr. Swayne under “Executive Officers” below.
 - (6) See biography of Mr. Traimond under “Executive Officers” below.
 - (7) See biography of Mr. Flitman under “Executive Officers” below.
 - (8) See biography of Mr. Prestia under “Executive Officers” below.
 - (9) See biography of Mr. Boisvert under “Executive Officers” below.
 - (10) See biography of Mr. Latham under “Our Directors” below.

James O’Shaughnessy joined the Company as Chief Financial Officer in May 2006. Mr. O’Shaughnessy holds a Bachelor of Commerce degree from University College, Cork, Ireland and is both a Fellow of the Institute of Chartered Accountants of Ireland and an Associate Member of the Chartered Insurance Institute of the U.K.

Karl Grieves joined Flagstone in January 2008 and is currently Managing Director and Deputy Chairman of Flagstone Syndicate Management Limited since March 1, 2010. Holds a BA Honours degree in Economics from the University of Leeds, UK and MSc in Business Administration from the University of Bath, UK. By profession, he is a Fellow of the Institute of Chartered Accountants in England & Wales having qualified with KPMG in London.

Chris Jarvis holds a manager’s position within Mosaic Underwriting Services (Dubai) Limited since 2008. Mr. Jarvis is an Associate of the Chartered Insurance Institute, and holds the Lloyd’s market Certificate.

John Hyland is a director of Mosaic Underwriting Services (Dubai) Limited. He holds a BTEC higher National Diploma Business Studies from Croydon Technical College.

Nicholas Pawson has been a Non-Executive Director of Flagstone Syndicate Management Limited (formerly Marlborough Underwriting Agency Limited) since January 1998.

Iain Macdowall was appointed Compliance Director of Flagstone Syndicate Management Limited in 2003. Iain is an Associate of the Chartered Insurance Institute.

Leslie Allen has almost 40 years experience in the London market having spent the first 28 years in the company market with the Commercial Union Group where he was the underwriter of the Indemnity and British and European underwriting rooms before all CU rooms were merged prior to the move to Flagstone Syndicate Management Limited. He is currently in charge of a small specialist team of underwriters.

David Young has been a Non-Executive Director of Flagstone Syndicate Management Limited since January 2001. As a Chartered Accountant, Mr. Young held the role of Chairman of Touche Ross & Co.

Tony Hulse is an insurance specialist with KPMG in London, England, and has more than 35 years experience of auditing and advising insurance and other businesses. He is a Fellow of the Institute of Chartered Accountants in England and Wales.

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Ian Mallery has 35 years experience working in the Lloyd's Market. He moved to Flagstone Syndicate Management Limited in 1997 to head up claims and reinsurance recoveries and was appointed to the board in 2001. He is now Chief Operating Officer and Operations Director of Flagstone Syndicate Management Limited.

Paul Chubb is the Finance director of Flagstone Syndicate Management Limited. By profession, he is a Chartered Accountant.

Richard Housley has 25 years experience of London and international markets having started his career in 1986 in London as a placing broker and moving to underwriting in 1996 for Brockbank Syndicate Management. Joined Axis Specialty shortly after its formation at the beginning of 2002. He held various positions including President of its Global Insurance segment and later as CEO of the Specialty Lines Division of Axis Insurance.

Cynthia Hallman, our Global Claims and Reinsurance Manager, has over 30 years of insurance industry experience. Prior to joining Flagstone in 2008, Ms. Hallman was Director of Claims – Eastern Canada with Royal & Sun Alliance Insurance Company of Canada.

Howard Cheetham has in excess of 30 years experience in the reinsurance market and has been with Flagstone since the company's inception. Howard is International Business Development Officer for Flagstone Re, and CEO of Flagstone Representatives Limited in the UK. Previously Howard was an MD and Deputy Chairman within Aon Reinsurance UK.

Steve Handler is a Qualified Actuary. Steve has over 40 years experience in the insurance and reinsurance industry.

Phillip Pettersen is a qualified Fellow of both the Chartered Insurance Institute and the Insurance Institute of South Africa. He also serves as Chairman of the audit committee for Telesure Group in South Africa. Phillip has 35 years experience in the insurance and reinsurance industry, both locally and internationally.

Stephen Smith is an associate of Chartered Insurance Institute and Insurance Institute of South Africa. Steve has over 30 years experience in reinsurance industry, 10 years in UK and past 22 in South Africa.

J. Bryan O'Neal has served as a director of Island Heritage Insurance Company since 2009. Prior to joining Flagstone, he served in the US Navy for five years as a submarine officer. He holds an MBA from the Tuck School of Business at Dartmouth, and a BA in Physics and Economics from Vanderbilt University.

Ralph Rexach is the managing partner and co-founder of Rexach & Pico Rexach served as Commissioner of Insurance of the Commonwealth of Puerto Rico during 1991-1992, and has lectured extensively on matters relating to the Island's insurance regulatory system in Puerto Rico and abroad. He graduated from Yale University in 1970 and received his law degree from the University of Puerto Rico Law School in 1974.

The election of the Designated Company Directors named above is conditioned on the approval of Proposal No. 12 below.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" THE ELECTION OF THE DESIGNATED COMPANY DIRECTORS NAMED ABOVE.

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PROPOSAL 3 – APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Upon the recommendation of the Audit Committee of the Board (the “Audit Committee”), the Board of Directors proposes that the shareholders approve the appointment of Deloitte & Touche Ltd. (Bermuda) to serve as our Independent Registered Public Accounting Firm (the “Independent Auditor”) for the 2011 fiscal year until the 2012 annual general meeting of shareholders. Deloitte & Touche Ltd. (Bermuda) has served as our Independent Auditor since October 2005. A representative from Deloitte & Touche Ltd. (Bermuda) will attend the Annual General Meeting and will be available to respond to any questions and make a statement if he or she so desires. Shareholders at the Annual General Meeting will also be asked to vote to refer the determination of the auditor’s remuneration to the Board of Directors.

The following sets forth the fees billed to us by Deloitte & Touche Ltd. (Bermuda) and its affiliates during the 2010 fiscal year:

Audit Fees

Aggregate audit fees billed to us by Deloitte & Touche Ltd. (Bermuda) for the fiscal years ended December 31, 2010 and 2009 were \$2,940,819 and \$3,057,559, respectively. The aggregate audit fees in respect to the fiscal year ended December 31, 2010 include audit fees payable by the Company to Deloitte S.A. (Luxembourg). Audit fees were for (a) the audit of our annual financial statements, (b) review of our quarterly financial statements, and (c) statutory audits.

Audit-Related Fees

Audit-related fees billed to us by Deloitte & Touche Ltd. (Bermuda) for the fiscal years ended December 31, 2010 and 2009 were \$60,649 and \$123,718, respectively, for assurance and related services that are related to the audit and review of the financial statements (including technical consultations and services provided in relation to securities offerings) which are not reported as audit fees above.

Tax Fees

Fees billed to us by Deloitte & Touche Ltd. (Bermuda) for all tax-related services for the fiscal years ended December 31, 2010 and 2009 were \$40,594 and \$nil, respectively. These fees were for professional services rendered for tax compliance.

All Other Fees

The aggregate fees billed by Deloitte & Touche Ltd. (Bermuda) for products and services rendered to the Company, other than the services described above under “Audit Fees”, “Audit-Related Fees” and “Tax Fees”, for the fiscal years ended December 31, 2010 and 2009 were \$1,500 and \$106,772, respectively, which relate to other services primarily for due diligence. The Audit Committee has considered whether any information technology and non-audit consulting services provided by Deloitte & Touche Ltd. (Bermuda) could impair the independence of Deloitte & Touche Ltd. (Bermuda). No such services were provided by Deloitte & Touche Ltd. (Bermuda) during 2010 or 2009 and thus the Audit Committee concluded that such services did not impair the auditor’s independence.

Pre-Approval Policies

The Audit Committee must pre-approve all audit services and permitted non-audit services performed for the Company by our auditor, subject to the de minimis exceptions for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act which are approved by the Audit Committee prior to the completion of the audit. All engagements of Deloitte & Touche Ltd. (Bermuda) to provide audit, audit-related and tax services to the Company during 2010 and 2009 were pre-approved by the Audit Committee.

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The Audit Committee is responsible for managing our relationship with our Independent Registered Public Accounting Firm. The Audit Committee has the sole authority to hire and employ our auditor. The Audit Committee regularly reviews the auditor's work plan, bills and work product. Accordingly, it is our policy that all proposed engagements by our current audit firm must be approved in advance by the Audit Committee.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" THE REAPPOINTMENT OF DELOITTE & TOUCHE LTD. (BERMUDA) AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE 2011 FISCAL YEAR UNTIL THE 2012 ANNUAL GENERAL MEETING OF SHAREHOLDERS AND THE REFERRAL OF THE DETERMINATION OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S REMUNERATION TO THE BOARD OF DIRECTORS. PROXIES WILL BE SO VOTED UNLESS SHAREHOLDERS SPECIFY OTHERWISE IN THEIR PROXIES.

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PROPOSAL 4 – APPOINTMENT OF AUTHORIZED STATUTORY AUDITOR

Under Luxembourg law, the appointment of a firm to audit the Luxembourg Statutory Accounts must be submitted for approval by our shareholders. Our Board of Directors has recommended that Deloitte S.A. (Luxembourg) be elected as the Company's réviseur d'entreprises agréé ("Authorized Statutory Auditor").

Deloitte S.A. (Luxembourg) has served as our Authorized Statutory Auditor since May 2010. A representative from Deloitte S.A. (Luxembourg) will attend the Annual General Meeting and will be available to respond to any questions and make a statement if he or she so desires.

The fees payable by the Company to the Authorized Statutory Auditor in respect to the fiscal year ended December 31, 2010 are included in the aggregate audit fees set forth in Proposal No. 3.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" THE REAPPOINTMENT OF DELOITTE S.A. (LUXEMBOURG) AS OUR AUTHORIZED STATUTORY AUDITOR FOR THE 2011 FISCAL YEAR UNTIL THE 2012 ANNUAL GENERAL MEETING OF SHAREHOLDERS.

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PROPOSAL 5 – ADVISORY VOTE ON EXECUTIVE COMPENSATION

The recently enacted Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the “Dodd-Frank Act”) enables Flagstone shareholders to vote to approve, on an advisory or non-binding basis, the compensation of our named executive officers as disclosed in this proxy statement in accordance with SEC rules.

Flagstone’s executive compensation programs are designed to encourage our executive officers to think and act like, and over time themselves become, shareholders of the Company. We want our executive officers to take appropriate risks with our capital in order to generate returns for our shareholders but at the same time to share the downside risk if their decisions cause poor performance or even loss. Through our performance management and rewards processes and programs, we endeavor to create an environment that fosters and rewards multiple objectives: finding and assuming attractively priced risk; managing our overall risk exposure to mitigate loss; ensuring we have optimal capital to run our business; working hard and cooperating with colleagues; and providing excellent service to clients and colleagues.

Specifically, our executive compensation policy includes the following features:

Review by Independent Directors. All compensation-related decisions with respect to our named executive officers are reviewed and approved by the Compensation Committee, which solely comprises independent, non-management directors.

Emphasis on Performance-Based Compensation. We guarantee a fairly small portion of the overall compensation for our named executive officers while providing a much larger portion in the form of incentive-based compensation that is linked to the Company’s annual financial results over a three-year performance period.

Avoidance of Problematic Pay Practices. We have generally avoided pay practices that are widely considered problematic, such as providing tax gross-ups, guaranteed bonuses, using the same performance criteria for short- and long-term compensation or excessive severance packages. In addition, change-in-control benefits payable under the Company’s Performance Share Unit Plan generally have “double trigger” vesting conditions, meaning that they vest in connection with a change in control only if the executive officer also experiences a qualifying termination or there is an adverse change to the plan.

Clawback Policy. In order to ensure that our executive officers do not inadvertently receive compensation that they did not earn, the Company has a policy to recover payments made with respect to performance share unit (“PSU”) grants which are our primary long-term incentive vehicle, if the relevant performance measures upon which the grant was based are restated or otherwise adjusted in a manner that would reduce the size of a payment; in the event the Company is required to make a financial restatement due to a material misstatement, any PSU grant based upon the erroneous financial statements is cancelled. This clawback policy is more stringent than the existing clawback requirements under the Sarbanes-Oxley Act in that it applies to all persons who receive compensation under a PSU (not just the Chief Executive Officer and Chief Financial Officer) and applies regardless of whether the misstatement was a result of misconduct.

For additional information on the Company’s compensation policies and practices, see “Compensation Discussion and Analysis”.

We are asking for shareholder approval of the compensation of our named executive officers as disclosed in this proxy statement in accordance with SEC rules, which disclosures include the disclosures under “Compensation Discussion and Analysis”, the compensation tables and the narrative discussion following the compensation tables. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and the policies and practices described in this proxy statement.

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This vote is advisory and therefore not binding on Flagstone, the Board or the Compensation Committee. The Board and the Compensation Committee value the views of our shareholders and to the extent there is any significant vote against the named executive officer compensation as disclosed in this Proxy Statement, we and the Compensation Committee will evaluate whether any actions are necessary to address the outcome of the vote.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE “FOR” THE FOLLOWING RESOLUTION:

RESOLVED, that the compensation paid to the company’s named executive officers, as disclosed pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the compensation discussion and analysis, the compensation tables and any related material disclosed in this proxy statement is hereby APPROVED.

Unless a proxy is marked to give a different direction, the persons named in the proxy will vote FOR the approval of the compensation of our named executive officers as disclosed in this proxy statement.

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PROPOSAL 6 – ADVISORY VOTE ON THE FREQUENCY OF THE EXECUTIVE COMPENSATION
ADVISORY VOTE

The Dodd-Frank Act also enables shareholders to vote, on an advisory or non-binding basis, on how frequently they would like to cast an advisory vote on the compensation of our named executive officers. By voting on this proposal, shareholders may indicate whether they would prefer an advisory vote on named executive officer compensation every one, two, or three years. Shareholders may also, if they wish, abstain from casting a vote on this proposal.

After careful consideration of the frequency alternatives, the Board believes that conducting advisory vote on executive compensation every three years is appropriate for the Company and its shareholders at this time. We believe that a three-year frequency is most consistent with the Company’s approach to compensation for the following reasons:

Consistent Compensation Practices. We seek a consistent compensation approach from year to year for all of our executives, including the named executive officers. We believe that taking a consistent and long-term perspective of compensation is particularly important given the cyclical nature of our industry, in which certain years corporate performance may be extremely strong and other years corporate performance may be significantly weaker. Because we believe that an effective compensation program should incentivize performance over a multi-year horizon, we do not make, or believe it would be appropriate to make, frequent changes to our programs.

Long-Term Performance. As described in the “Compensation Discussion and Analysis” below, one of the core principles of our compensation program is to ensure that management’s interests are aligned with our shareholders’ interests to support long-term value creation. Accordingly, we grant performance share unit awards with multi-year vesting provisions to encourage our named executive officers to focus on long-term performance, and recommend a triennial vote to allow our compensation programs to be evaluated over a similar time frame and in relation to our long-term performance.

Corporate Governance. We seek to maintain the highest standards of corporate governance. Accordingly, we believe that our compensation practices are already reflective of the values of our shareholders. All compensation policies and decisions with respect to our named executive officers are approved by our Compensation Committee, which is comprised solely of independent directors. Reflecting our strong corporate governance practices, we have adopted a pay for performance philosophy and have generally avoided pay practices that are widely considered problematic, such as providing tax gross-ups, guaranteed bonuses, using the same performance criteria for short- and long-term compensation or excessive severance packages. In addition, change-in-control benefits payable under the Company’s Performance Share Unit Plan generally have “double trigger” vesting conditions, meaning that they vest in connection with a change in control only if the executive officer also experiences a qualifying termination or there is an adverse change to the plan.

The Board will carefully consider the outcome of the vote when making future decisions regarding the frequency of advisory votes on executive compensation. However, because this vote is advisory and not binding, the Board may decide that it is in the best interests of Flagstone and its shareholders to hold an advisory vote more or less frequently than the alternative that has been selected by our shareholders.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THE APPROVAL OF AN ADVISORY VOTE ON THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS TO BE UNDERTAKEN EVERY THREE YEARS.

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Unless a proxy is marked to give a different direction, the persons named in the proxy will vote FOR an advisory vote every three years on the compensation of our named executive officers.

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PROPOSAL 7 – APPROVAL OF THE LUXEMBOURG STATUTORY ACCOUNTS FOR THE YEAR ENDED
DECEMBER 31, 2010

Luxembourg law requires that our Luxembourg Statutory Accounts be submitted for approval by our shareholders at the Annual General Meeting. The Luxembourg Statutory Accounts include the consolidated financial statements of the Company prepared in accordance with U.S. GAAP and the annual accounts of the Company prepared in accordance with Luxembourg GAAP. The Luxembourg Statutory Accounts as at and for the year ended December 31, 2010 are attached as Exhibit A and will be available from April , 2011 at the Company’s registered office.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE “FOR” THE APPROVAL OF THE LUXEMBOURG STATUTORY ACCOUNTS AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2010.

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PROPOSAL 8 – APPROVAL OF THE CONSOLIDATED MANAGEMENT REPORT OF THE BOARD OF DIRECTORS AND THE AUTHORIZED STATUTORY AUDITOR’S REPORTS FOR THE YEAR ENDED DECEMBER 31, 2010

Luxembourg law requires that the Board of Directors prepares a Consolidated Management Report on an annual basis (the “Consolidated Management Report”) that, among other things, presents an overview of the business of the Company during the period covered by the Luxembourg Statutory Accounts, provides an explanation of the results, and makes a proposal to the shareholders of the Company as to the allocation of such results for such fiscal year. Luxembourg law also requires that the Authorized Statutory Auditor prepares two reports (the “Authorized Statutory Auditor’s Reports”) in connection with the Luxembourg Statutory Accounts.

The Consolidated Management Report and Authorized Statutory Auditor’s Reports must be submitted for approval by the shareholders of the Company at the Annual General Meeting. The Director’s Report and the Authorized Statutory Auditor’s Reports for the year ended December 31, 2010 are attached as Exhibit B and Exhibit C, respectively, and will be available from April , 2011 at the Company’s registered office.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE “FOR” THE APPROVAL OF THE CONSOLIDATED MANAGEMENT REPORT AND THE AUTHORIZED STATUTORY AUDITOR’S REPORTS FOR THE YEAR ENDED DECEMBER 31, 2010.

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PROPOSAL 9 – ALLOCATION OF RESULTS AND PART OF DISTRIBUTABLE RESERVE

Under Luxembourg law, when a company acquires its own shares and holds them in treasury and those shares are reflected as an asset on the company's or one of its subsidiaries balance sheet, a non-distributable reserve of a corresponding amount must be created.

Luxembourg law also requires a company to allocate at least five percent (5%) of its net profits, if any, to a legal reserve; provided, however that this allocation shall cease to be required under Luxembourg law when the reserve attains ten percent (10%) of the share capital of the Company but shall again be required if the reserve amount falls below this threshold. As the Company made a net loss for the year ended December 31, 2010, there is no requirement to make such allocation.

The shareholders of the Company will accordingly be asked to approve the allocation of the Company's results and distributable reserves as follows:

an allocation from the Company's share premium account to a non-distributable reserve of an amount equal to US\$ 178,718,000, which is the amount required to reflect the shares of the Company that are held in treasury by the Company and its subsidiaries as of December 31, 2010;

an allocation of the loss as reflected in the annual accounts of the Company to results brought forward.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" THE APPROVAL OF THE ALLOCATION OF RESULTS AND PART OF DISTRIBUTABLE RESERVE AS DESCRIBED ABOVE.

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PROPOSAL 10 – DISCHARGE OF LIABILITY OF EACH OF THE CURRENT AND PAST DIRECTORS AND OFFICERS FOR THE PERFORMANCE OF THEIR DUTIES DURING THE YEAR ENDED DECEMBER 31, 2010.

Pursuant to Luxembourg law, shareholders may approve the individual discharge of all of the current and past directors and officers of the Company in respect to liability arising from the performance of their respective mandates during the relevant fiscal year. If the shareholders grant the discharge of liability of directors and officers for the relevant fiscal year, the Company will not be able to initiate a liability claim against such directors in connection with the performance of their duties for the relevant fiscal year. However, such discharge will not be valid if the Luxembourg Statutory Accounts contain an omission or false information concerning the Company's position. Furthermore, such discharge will not be valid with respect to any acts taken by a director or officer which fall outside the scope of the Company's Articles unless such actions have been disclosed to the shareholders and approved by them. For fiscal year 2010, the Company believes none of the directors or officers have taken any actions outside the scope of the Company's Articles. The discharge is also not enforceable against anyone other than the Company.

During the fiscal year ended December 31, 2010, the following persons served as directors:

E. Daniel James
David A. Brown
Gary Black
Stephen Coley
Thomas Dickson
Stewart Gross
A n t h o n y P .
Latham
D r . A n t h o n y
Knap
Jan Spiering
Wray T. Thorn
Peter F. Watson
Mark J. Byrne

During the fiscal year ended December 31, 2010, the following persons served as officers:

David A. Brown
Patrick Boisvert
William Fawcett
David Flitman
Venkateswara
Rao Mandava
Gary Prestia
Brenton Slade
Guy Swayne
F r é d é r i c
Traimond

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE “FOR” THE DISCHARGE OF LIABILITY OF EACH OF THE CURRENT AND PAST DIRECTORS AND OFFICERS OF THE COMPANY FOR THE PERFORMANCE OF THEIR DUTIES DURING THE YEAR ENDED DECEMBER 31, 2010.

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PROPOSAL 11 – APPROVAL OF INTERIM DIVIDENDS DECLARED SINCE THE LAST ANNUAL GENERAL MEETING OF SHAREHOLDERS

Pursuant to Luxembourg law, the declaration of interim dividends by the Board of Directors must be subject to a subsequent approval of shareholders at the following general meeting of shareholders. The Company has declared interim dividends on the following three occasions since the Company’s last general meeting of shareholders held on May 14, 2010:

On August 12, 2010, the Company declared an interim dividend of \$0.04 per share;

On November 19, 2010, the Company declared an interim dividend of \$0.04 per share; and

On February 18, 2011, the Company declared an interim dividend of US\$0.04 per share.

In accordance with Luxembourg law, the shareholders of Company are being asked to approve each of the declared interim dividends described above. If our shareholders do not approve the interim dividends described above, such interim dividends shall be deemed to have been paid on account of the next dividend to be declared by the Company, which would therefore result in a reduction of the next dividend to be declared by the Company.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE “FOR” THE APPROVAL OF INTERIM DIVIDENDS DECLARED SINCE THE LAST ANNUAL MEETING OF SHAREHOLDERS AS DESCRIBED ABOVE.

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PROPOSAL 12 – AMENDMENTS TO THE COMPANY’S ARTICLES OF INCORPORATION

We are asking shareholders to approve the following amendments, which will be reflected in an amendment of our Articles to read substantially in the form attached as an Exhibit D, which is marked to show changes from our current Articles (Statuts). The Board of Directors approved these amendments and declared them to be advisable and in the best interests of our shareholders. Pursuant to Luxembourg law, the following amendments to the Articles requires the approval of shareholders by way of special resolution; therefore, the affirmative vote of more than two-third of the shares present, in person or by proxy, at this Annual General Meeting is required.

Voting Rights

Under our current Articles, our shareholders are entitled to one vote for each share held by them and to vote such shares at all general meetings of shareholders. Among the proposed amendments to our Articles is a provision that would reduce the voting rights of any U.S. person who is deemed to own 9.9% or more of our shares, either directly or under the constructive ownership provisions of Section 958 of the Internal Revenue Code of 1986, as amended (the “Code”). The purpose of this amendment is to reduce the risk that the Company and certain of its subsidiaries will become “controlled foreign corporations” (“CFCs”) for United States Federal income tax purposes. The treatment of the Company or any of its subsidiaries as CFCs is likely to result in adverse U.S. tax consequences to certain of our larger U.S. shareholders.

Under this proposed amendment, if any U.S. person is deemed to own shares of the Company that constitute 9.9% or more of our issued and outstanding shares (a “9.9% U.S. Shareholder”), the voting rights otherwise associated with such shares shall be reduced to less than 9.9% and the excess will be reallocated to our other shareholders. In general, any reduction in voting rights shall first apply to the shares owned directly by a 9.9% U.S. Shareholder and then to the shares owned constructively (if any) by a 9.9% U.S. Shareholder. Conversely, any reallocation of voting rights shall apply to the shares of our remaining shareholders on a proportionate basis except to the extent that another U.S. person would otherwise become a 9.9% U.S. Shareholder, in which case the remaining voting rights shall be continuously reallocated to the shares of the remaining shareholders on a proportionate basis until no U.S. person is a 9.9% U.S. Shareholder.

The proposed amendments also require any 9.9% U.S. Shareholder to notify the Company of this status and to provide the Company with certain related information. Moreover, because the constructive ownership of our shares may trigger these limitations, it is possible that the voting rights of a shareholder who is not a 9.9% U.S. Shareholder will be limited to less than one vote per share.

If the Company or any of its subsidiaries has the right to elect the board of directors of any direct or indirect insurance subsidiary of the Company, a U.S. person owning more than 9.9% of our stock will be attributed its proportionate share of the voting power of the insurance subsidiary despite the voting reductions described above. This attribution rule could result in certain of our non-U.S. insurance subsidiaries becoming CFCs and could have adverse U.S. tax consequences to certain of our larger U.S. shareholders. In order to avoid this characterization, the proposed amendments provide that the shareholders of the Company (rather than the Company itself) will elect the boards of directors of each non-U.S. subsidiary of the Company that is regulated as an insurance company in its home jurisdiction. The slate of directors for each such subsidiary is therefore provided in Proposal No. 2.

The amendments described in this proposal will only become effective upon the approval of the special resolution and the execution of a notarial deed by a Luxembourg public notary. If a shareholder objects to application of the voting

reduction to its shares, there can be no assurance under current Luxembourg law that the voting reduction can be enforced against such an objecting shareholder. If, as a result of such an objection, a 9.9% U.S. Shareholder votes a number of shares greater than 9.9% of our issued and outstanding shares, the Company and its subsidiaries could become CFCs, which could result in adverse U.S. Federal income tax consequences to certain of our larger U.S. shareholders, including the objecting shareholder.

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Auditors

The Company is required to appoint an Independent Auditor for SEC purposes and an Authorized Statutory Auditor for Luxembourg law purposes. A number of amendments to the Articles are being proposed to clarify the respective roles of each auditor.

Date of Annual General Meeting

Under Article 33.1 of the Articles, the Company's annual general meetings shall be held on the second Thursday of the month of May at 2 p.m. (Central European Time). Shareholders are asked to vote to amend the Company's Articles to move the date of the Annual General Meeting to the third Thursday of the month of May in order to provide the Company with additional time to prepare materials to be sent to shareholders, including Luxembourg-specific materials, in connection with the annual general meetings.

Definition of Warrant

In connection with the initial closing of the private placement for the Company's common shares in December 2005, the Company issued a warrant (the "Haverford Warrant") to Haverford (Bermuda) Ltd, a portion of which was transferred to Leyton Limited in June 2010 (the "Leyton Warrant"). The Haverford Warrant was subsequently purchased and cancelled by the Company. Shareholders are asked to vote to amend the existing definition of Warrant to refer to the Leyton Warrant.

Convertible Debt

The Board of Directors also recommends that the Articles be amended to give the Board the authority to issue shares upon the conversion of convertible debt. This would give the Company flexibility for general corporate purposes, including capital raising transactions.

Other Amendments

The Board of Directors also recommends other amendments to the Articles described in Exhibit D, which are generally technical or ministerial and necessitated by the amendments described above.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" THE AMENDMENTS TO THE COMPANY'S ARTICLES OF INCORPORATION DESCRIBED ABOVE.

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OUR DIRECTORS

The table below sets forth the names, ages and positions of the current directors of the Company:

| Name | Age | Position |
|-------------------|-----|--------------------------------------|
| E. Daniel James | 46 | Chairman of the Board |
| David A. Brown | 53 | Chief Executive Officer and Director |
| Gary Black | 65 | Director |
| Stephen Coley | 66 | Director |
| Thomas Dickson | 48 | Director |
| Stewart Gross | 51 | Director |
| Anthony P. Latham | 60 | Director |
| Dr. Anthony Knap | 61 | Director |
| Jan Spiering | 59 | Director |
| Wray T. Thorn | 39 | Director |
| Peter F. Watson | 68 | Director |

The Board of Directors currently consists of eleven directors and is divided into three classes (A, B and C). At each annual general meeting, certain directors shall be elected or appointed for a full three-year term to succeed those whose terms expire at such meeting. Each director shall hold office for the term for which he is elected or until his successor is elected or appointed or until his office is otherwise vacated.

Class B Directors with terms expiring at the 2011 Annual General Meeting

Gary Black has been a director since June 2006. He was Chief Claims Executive and Senior Vice President of OneBeacon Insurance Company, a subsidiary of White Mountains Insurance Group, until his retirement in 2006. Prior to joining OneBeacon in January of 2004, Mr. Black spent 35 years with Fireman's Fund Insurance Companies where he was an Executive Vice President and President of the Claims Division. At Fireman's Fund his responsibilities included claims, corporate administration, general counsel, staff counsel and systems. He received his B.A. degree from Southwest Baptist University and is a Chartered Property Casualty Underwriter. Mr. Black's extensive experience, credentials and qualifications in the insurance industry led the Company to believe that he should be proposed for re-election.

Thomas Dickson has been a director since December 2005. Mr. Dickson is Chief Executive Officer and Founder of Meetinghouse LLC, a private firm that provides investment advisory and management services and advice and support to management for underwriting, ratings, capital management and actuarial functions. Mr. Dickson currently serves as President and Chief Executive Officer of Haverford Capital Partners (Cayman) Limited ("HCP"), a private equity fund specializing in investments in insurance, reinsurance and specialty finance started in August 2005. Mr. Dickson served as President and Chief Executive Officer of The Centre Group and as its Chief Underwriting Officer. At the time, The Centre Group held assets in excess of \$9 billion and capital in excess of \$1 billion. He joined The Centre Group at the time of its establishment in 1988 and, prior to assuming responsibilities as Chief Underwriting Officer, served in a variety of business production and underwriting capacities in Bermuda and New York. Mr. Dickson holds a bachelor's degree with honors from Stanford University and a Masters Degree from the Johns Hopkins School of Advanced International Studies. Mr. Dickson's extensive experience, credentials and qualifications in insurance, reinsurance and specialty finance led the Company to believe that he should be proposed for re-election.

Jan Spiering has been a director since December 2005. From February 1979 to June 2002, Mr. Spiering served as a member of Ernst & Young, becoming the Chairman and Managing Partner of Ernst & Young Bermuda. During his tenure at Ernst & Young, Mr. Spiering was a member of the firm's Global Advisory Counsel, founding member of the International Investment Committee, and was Chairman of the firm's Offshore Fund's Group. He retired from Ernst & Young in 2002, and currently serves on the board of directors of certain investment funds and various private companies. Mr. Spiering is a Fellow of the Institute of Chartered Accountants in England & Wales and the Institute of Chartered Accountants of Bermuda and is a Member of the Canadian Institute of Chartered Accountants. Mr. Spiering's extensive experience, credentials and qualifications in accounting and corporate finance led the Company to believe that he should be proposed for re-election.

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Wray T. Thorn has been a director since October 2006. Mr. Thorn is a Managing Director at Marathon Asset Management, LP, a global alternative investment and asset management company, where he has worked since 2005. Mr. Thorn is a senior member of the investment management team responsible for identifying, evaluating, structuring and managing private debt and equity investments for Marathon's family of investment funds. In addition, Mr. Thorn has been involved in leading a number of Marathon's new business opportunities, investor-related activities and capital formation initiatives. Mr. Thorn has spent the majority of his career identifying, financing and investing in private equity transactions, including management buyout transactions, acquisition and expansion strategies, growth programs, shareholder transitions and financial restructurings. Prior to joining Marathon, Mr. Thorn was a Director with Fox Paine & Company, LLC, and had also been a Principal and founding member of Dubilier & Company, LLC. Mr. Thorn began his career in the financial analyst program at Chemical Bank, where he worked in the acquisition finance group, arranging and structuring senior and subordinated debt financings for the firm's private equity clients. Mr. Thorn is a graduate of Harvard University with an A.B. in Government, cum laude. Mr. Thorn's extensive experience, credentials and qualifications in corporate finance led the Company to believe that he should be proposed for re-election.

Class A Directors with terms expiring at the 2012 Annual General Meeting

Stewart Gross has been a director since January 2006. Mr. Gross is a Managing Director and member of the Investment Committee of Lightyear Capital, a private equity firm investing in companies in the financial services industry. Prior to joining Lightyear in April 2005, Mr. Gross spent 17 years at Warburg Pincus where he was a Managing Director and member of the Executive Management Group. Mr. Gross has been a primary investor in many highly successful companies, including RenaissanceRe Holdings Ltd. Mr. Gross is currently a director of Higher One Holdings and several private companies. Mr. Gross received an A.B., magna cum laude, from Harvard College and an M.B.A. from Columbia Business School where he was elected to Beta Gamma Sigma. Mr. Gross' extensive experience, credentials and qualifications in corporate finance and the financial services industry led the Company to believe that he should serve as a director.

E. Daniel James has been a director since December 2005 and Chairman of the Board of Directors since May 2010. Mr. James is a founding partner and head of North America of Trilantic Capital Partners. He joined Trilantic Capital Partners in 1995. Prior to joining Trilantic Capital Partners, he was a member of the Lehman Brothers M&A Group, based in London and New York. In 1988, Mr. James joined Lehman Brothers' Financial Institutions Group. He is currently a director of Blount International, Inc. and Phoenix Brands LLC. He holds a B.A. in chemistry, with honors, from the College of the Holy Cross. Mr. James' extensive experience, credentials and qualifications in the financial services industry led the Company to believe that he should serve as a director.

Anthony P. Latham has been a director since November 2008. Mr. Latham currently serves as Chairman of the board of directors of Pool Reinsurance Limited, the U.K. government-backed terrorism damage reinsurer. He also serves as the Chairman of the board of directors of Pool Reinsurance (Nuclear) Limited. He is Deputy Chairman of the board of directors of Codan A/S and Codan Forsikring A/S in Denmark where he chairs the audit committee. He is also a Director of Ecclesiastical Insurance Group plc and Ecclesiastical Insurance Office plc, where he is the Chairman of the Group Risk Committee and a member of the Audit and Compensation Committees, as well as the Chairman of Torus Insurance (U.K.) Limited. Mr. Latham is a former member of the Group Executive of RSA Group plc where he held a variety of senior executive roles over a period of 17 years. RSA Group plc is an international insurance group, listed on the London Stock Exchange. Prior to his employment at RSA Group plc, Mr. Latham worked for an international insurance brokerage firm for 19 years. Mr. Latham's extensive experience, credentials and qualifications in the reinsurance industry led the Company to believe that he should serve as a director.

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Class C Directors with terms expiring at the 2013 Annual General Meeting

David Brown has served as Chief Executive Officer of Flagstone since October 2005. Mr. Brown is also a director of Island Heritage, an indirect majority-owned subsidiary of the Company. From September 2003 until October 2005, Mr. Brown served as the Chief Executive Officer of Haverford (Bermuda) Ltd (“Haverford”) and as the Chief Operating Officer of Flagstone Capital Management, a wholly-owned subsidiary of the Company. Mr. Brown joined Centre Solutions (Bermuda) Limited (“Centre Solutions”) in 1993, and was its President and Chief Executive Officer at the time of his retirement in 1998. Prior to joining Centre Solutions, Mr. Brown was a Partner with Ernst & Young in Bermuda. Mr. Brown is the non-executive Chairman of the Bermuda Stock Exchange and a Director and Trustee for the Schroder Family Trusts. Mr. Brown led the team which analyzed, structured and negotiated the acquisition of Merastar Insurance Company in 2004. As Chairman of Merastar, Mr. Brown led the board’s oversight of the successful turn-around strategy. At Centre Solutions, Mr. Brown was responsible for the global operations of a group with over \$7 billion in assets and offices in several countries. During his ten years with Ernst & Young, Mr. Brown specialized in insurance and was involved in the liquidation of numerous insurance companies in Bermuda, the U.K. and the U.S. Mr. Brown is a Fellow of the Institute of Chartered Accountants in England & Wales and a Member of both the Institute of Chartered Accountants of Bermuda and the Canadian Institute of Chartered Accountants. Mr. Brown’s extensive experience, credentials and qualifications in the reinsurance industry, in corporate finance, strategic planning and international operations led the Company to believe that he should serve as a director.

Stephen Coley has been a director since January 2006. Mr. Coley is a Director Emeritus of McKinsey & Company, a director of DyCom Industries, and Chairman of the Board of Trustees of Underwriters Laboratories. During his more than 28 years of active client service with McKinsey, Mr. Coley led a wide variety of successful business strategy and organization efforts, principally serving technology and basic industrial clients, and led McKinsey’s corporate growth practice. In addition, Mr. Coley served for 10 years on McKinsey’s Investment Committee, which oversees employee profit sharing investments and principal alternative investment vehicles, and served as the committee’s chairman from 2000 to 2004. Mr. Coley received an M.B.A., with distinction, from Harvard Business School, where he was named a Loeb Fellow in finance. Mr. Coley has a B.S. in electrical engineering from Duke University. Mr. Coley currently serves on the boards of directors of Dycom Industries and Underwriters Laboratories, where he also serves on the Board of Trustees. He also serves on the Duke University Pratt School of Engineering Board of Visitors. Mr. Coley’s extensive experience, credentials and qualifications in finance led the Company to believe that he should serve as a director.

Dr. Anthony Knap, Ph.D., has been a director since December 2005. Dr. Knap serves as President, Director and Senior Research Scientist of the Bermuda Institute of Ocean Sciences, which he joined in 1978. In 1994, Dr. Knap founded the Risk Prediction Initiative, a partnership between the science community and the reinsurance industry providing essential information between natural disasters and changing climate. Dr. Knap’s principal research interests are climate change, environmental science, atmosphere/ocean interactions, effects of chemicals on the marine environment as well as relationships between ocean health and human health. Dr. Knap holds a number of professorships, and serves on numerous expert panels and committees in his field. Dr. Knap received his Ph.D. in oceanography in 1978 from the University of Southampton, U.K. Mr. Knap’s extensive background in environmental science, natural disasters and changing climate, as well as his credentials and qualifications in the reinsurance industry, led the Company to believe that he should serve as a director.

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Peter F. Watson was appointed director in September 2007. Mr. Watson was most recently a consultant to Attorney's Liability Assurance Society (Bermuda) Ltd. ("ALAS"), a mutual insurance company formed in Bermuda to provide professional liability insurance for large U.S. law firms. Mr. Watson served as President and Chief Executive Officer of ALAS from 2002 to December 31, 2007. Prior to joining ALAS in 1998, Mr. Watson's career was with Price Waterhouse, initially in London and Montreal and, since 1975, in Bermuda where he also served as senior partner of the firm. In his later years with Price Waterhouse, Mr. Watson was responsible for managing the worldwide professional indemnity program for the firm. Mr. Watson is a past president and a Fellow of the Institute of Chartered Accountants of Bermuda and a member of the Institute of Chartered Accountants of Ontario and of the Ordre des comptables agréés du Québec. Mr. Watson's extensive experience, credentials and qualifications in accounting and in the insurance industry led the Company to believe that he should serve as a director.

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EXECUTIVE OFFICERS

The table below sets forth the names, ages and positions of the current executive officers of the Company:

| Name | Age | Position |
|--------------------------|-----|---|
| David A. Brown(1) | 53 | Chief Executive Officer, Deputy Chairman and Director |
| Patrick Boisvert | 37 | Chief Financial Officer |
| William Fawcett | 48 | General Counsel |
| David Flitman | 40 | Chief Actuary |
| Venkateswara Rao Mandava | 49 | Chief Information Officer |
| Gary Prestia | 49 | Chief Underwriting Officer – North America |
| Brenton Slade | 40 | Chief Marketing Officer |
| Guy Swaney | 47 | Chief Underwriting Officer – International |
| Frédéric Traimond | 42 | Chief Operating Officer |

(1) See biography of Mr. Brown under “Our Directors”.

Patrick Boisvert was appointed as Chief Financial Officer in November 2008. Prior to his appointment as Chief Financial Officer, Mr. Boisvert had previously served various roles within the Flagstone Group: Chief Financial Officer (“CFO”) and Group Finance Director of Flagstone Réassurance Suisse SA, a subsidiary of the Company, since July 2008, and Group Chief Accounting Officer and Treasurer from February 2006 until July 2008. From February 2005 to February 2006, he was CFO of Flagstone Capital Management which was acquired by the Company in March 2006, where he had responsibility for all finance aspects of a hedge fund manager with approximately \$1 billion dollars under management. Prior to joining Flagstone, he was Vice President Fund Administration for BISYS Hedge Fund Services (now part of Citigroup). Mr. Boisvert began his career with Ernst & Young in Montreal, Canada. He holds a Bachelor in Accounting from Université du Quebec à Trois-Rivieres, is a member of the C.F.A. Institute and a member of the Canadian Institute of Chartered Accountants.