

## Corporate Governance Guidelines

### A. Introduction

These Corporate Governance guidelines established by the Board of Directors (the “Board”) of Greenlight Capital Re, Ltd. (“Greenlight Re”) provide a structure within which our directors and management can effectively pursue Greenlight Re’s objectives for the benefit of its shareholders. The Board intends that these guidelines serve as a flexible framework within which the Board may conduct its business, not as a set of binding legal obligations. These guidelines should be interpreted in the context of all applicable laws, Greenlight Re’s charter documents and other governing legal documents.

### B. Board Structure and Composition

1. Size of the Board. The authorized number of directors will be determined from time to time by resolution of the Board, provided the Board consists of at least five members. The Board currently has seven members.

2. Board Membership Criteria. The Nominating and Corporate Governance Committee will evaluate and recommend candidates for membership on the Board consistent with criteria established by the Board, including director nominees to be proposed by the Board to Greenlight Re’s shareholders for election or any director nominees to be elected or appointed by the Board to fill interim director vacancies on the Board.

3. Director Independence. The Board believes that a majority of directors on the Board should be independent as defined by the Sarbanes-Oxley Act of 2002, the rules and regulations of the Securities and Exchange Commission (the “SEC”), and the NASDAQ Stock Market. The Board also believes that it is often in the best interest of Greenlight Re and its shareholders to have non-independent directors, including current and, possibly, former members of management, serve as directors.

4. Director Tenure. Directors are reelected each year and the Board does not believe it should establish term limits because directors who have developed increasing insight into Greenlight Re and its operations over time provide an increasing contribution to the Board as a whole. To ensure the Board continues to generate new ideas and to operate effectively, the Nominating and Corporate Governance Committee shall monitor performance and take steps as necessary regarding continuing director tenure.

5. Directors Who Change Their Present Job Responsibility. The Board believes that directors who experience a material increase or reduction in their job responsibilities in the position they held when they came on the Board should deliver a notice of such change in status to the Chairman of the Nominating and Corporate Governance Committee. In addition, the Board believes that directors who assume a position as a director of another company should deliver a

notice of such board membership, prior to appointment, to the Chairperson of the Nominating and Corporate Governance Committee.

## **Principal Duties of the Board of Directors**

1. To Oversee Management and Evaluate Strategy. The fundamental responsibility of the directors is to exercise their business judgment to act in what they reasonably believe to be the best interests of Greenlight Re and its shareholders. It is the duty of the Board to oversee the chief executive officer. The Board also monitors management's performance to ensure that Greenlight Re operates in an effective, efficient and ethical manner in order to produce value for Greenlight Re's shareholders. The Board also evaluates Greenlight Re's overall strategy and monitors Greenlight Re's performance against its operating plan and against the performance of its peers.

Directors are expected to invest the time and effort necessary to understand Greenlight Re's business and financial strategies and challenges. The basic duties of the directors include attending Board meetings and actively participating in Board discussions. Directors are also expected to make themselves available outside of Board meetings for advice and consultation, subject, in any case, to Greenlight Re's or its subsidiaries memorandum and articles of association or tax guidelines.

2. To Select the Chair and Chief Executive Officer. The Board will select the chairman of the Board and the chief executive officer.

3. To Monitor and Manage Potential Conflicts of Interest. All members of the Board must inform the Audit Committee of the Board of all types of transactions between them (directly or indirectly) and Greenlight Re as soon as reasonably practicable even if these transactions are in the ordinary course of business. The Audit Committee of the Board will review and approve all related party transactions for which audit committee approval is required by applicable law or the rules of the NASDAQ Stock Market. The Board will also ensure that there is no abuse of corporate assets or unlawful related party transactions.

4. To Ensure the Integrity of Financial Information. The Audit Committee of the Board evaluates the integrity of Greenlight Re's accounting and financial reporting systems, including the audit of Greenlight Re's annual financial statements by the independent auditors, and that appropriate systems of control are in place. The Audit Committee reports to the Board on a regular basis and the Board, upon the recommendation of the Audit Committee, takes the actions that are necessary to ensure the integrity of Greenlight Re's accounting and financial reporting systems and that appropriate controls are in place.

5. To Monitor the Effectiveness of Board Governance Practices. The Nominating and Corporate Governance Committee of the Board will periodically review and evaluate the effectiveness of the governance practices under which the Board operates and make changes to these practices as needed.

6. To Set Board and Committee Compensation Guidelines. The Board or a committee thereof will periodically review and evaluate the compensation of the members of the Board and Committees of the Board and shall set such compensation as they deem appropriate.

7. To Prepare, Review and Adopt Operating and Investment Guidelines. The Board or a Committee thereof will periodically review, evaluate and adopt guidelines relating to the Company's and its subsidiaries operating and investment activities to be followed by management and outsider advisors.

8. To Monitor and Manage Succession Planning of Management. The Board or a Committee thereof will annually review, evaluate and monitor succession planning for the Company's and its subsidiaries' senior management members, including the chief executive officer, president, chief underwriting officer and chief financial officer.

### **C. Board Procedures**

Directors are expected to prepare for, attend, and contribute meaningfully in all Board and applicable committee meetings in order to discharge their obligations.

1. Frequency of Board Meetings. Regular meetings of the Board shall be held at such times and places as determined by the Board. There will be at least four regularly scheduled meetings of the Board each year but the Board will meet more often if necessary.

2. Attendance at Board Meetings. To facilitate participation at Board meetings, directors may attend in person, via telephone conference or via video-conference, subject to Greenlight Re's memorandum and articles of association. Materials are distributed in advance of meetings. All information discussed at the Board meetings is confidential, unless the Board otherwise determines or is required by law to disclose. No member of the Board shall record, either by videotape, tape record or otherwise, any or all of any meeting of the Board or Committees thereof.

3. Other Commitments. Each member of the Board is expected to ensure that other existing and future commitments, including employment responsibilities and service on the boards of other entities, do not materially interfere with the member's service as director.

4. Executive Sessions of Non-Management Directors. NASDAQ rules require independent Board members to regularly meet in executive session without non-independent directors. The Board's policy is to hold executive sessions without the presence of management, including the chief executive officer and other non-independent directors in connection with each regularly scheduled Board meeting, and at other times as necessary. Committees of the Board may also meet in executive session as deemed appropriate.

5. Board Access to Management. Members of the Board will have access to Greenlight Re's management and employees as needed to fulfill their duties. Furthermore, the Board encourages management to, from time to time, bring employees into meetings of the Board who: (a) can provide additional insight into the items being discussed because of personal involvement in

these areas, and/or (b) are employees with future potential that senior management believes should be given exposure to the Board.

6. Amended and Restated Code of Business Conduct and Ethics. Greenlight Re has adopted an Amended and Restated Code of Business Conduct and Ethics to provide guidelines for the ethical conduct by directors, officers and employees. The Amended and Restated Code of Business Conduct and Ethics is posted on Greenlight Re's website.

7. Engaging Experts. The Board and each committee of the Board will have the authority to obtain advice, reports or opinions from internal and external counsel and expert advisers and will have the power to hire independent legal, financial and other advisers as they may deem necessary or appropriate, without consulting with, or obtaining approval from, management of Greenlight Re in advance.

#### **D. Board Committees**

1. Number and Composition of Committees. The Board currently has the following standing committees: an Audit Committee, a Compensation Committee, a Nominating and Corporate Governance Committee and an Underwriting Committee. From time to time the Board may form a new committee or disband a current committee depending on the circumstances. Each committee complies with the independence and other requirements established by applicable law and regulations, including SEC and NASDAQ rules.

2. Committee Appointments. Members of all standing committees are appointed by the Board. The Board determines the exact number of members and can at any time remove or replace a Committee member.

3. Committee Proceedings. The Chair of each committee of the Board will, in consultation with appropriate committee members and members of management, and in accordance with the committee's charter, determine the frequency and length of committee meetings and develop the committee's agenda.

#### **E. Director Continuing Education**

The Board believes that ongoing education is important for maintaining a current and effective Board. Accordingly, the Board encourages directors to participate in ongoing education, as well as participation in accredited director education programs. The Board will reimburse directors for expenses incurred in connection with these education programs provided the program is (or programs are) pre-approved by the Nominating and Corporate Governance Committee or the Board.

#### **F. Board Performance**

The Board develops and maintains a process whereby the Board, its committees and its members are subject to evaluation and self-assessment. The Nominating and Corporate Governance Committee oversees this process.

## **G. Board Compensation**

The Compensation Committee of the Board has the responsibility to review and recommend to the Board compensation programs for non-employee directors.

## **I. Auditor Rotation**

The Audit Committee of the Board will ensure that the lead audit partner and the audit review partner be rotated every five years as is required by the rules and regulations of the SEC.

## **J. Communications with Shareholders**

1. Shareholder Communications to the Board. Shareholders may contact the Board about bona fide issues or questions about Greenlight Re by:

**Mail:** Corporate Secretary  
The Grand Pavilion  
802 West Bay Road  
PO Box 31110  
Grand Cayman KY1-1205  
CAYMAN ISLANDS

**Phone:** 345.943.GLRE (4573)

**Fax:** 345.943.4576

**Email:**  greenlightre@greenlightre.ky

2. Annual Meeting of Shareholders. Each director is encouraged to attend the Annual Meeting of Shareholders.

## **K. Periodic Review of the Corporate Governance Guidelines**

These guidelines shall be reviewed periodically by the Nominating and Corporate Governance Committee and the Board will make changes when appropriate based on recommendations from the Committee.