



**Charter of the Compensation Committee  
of the Board of Directors of  
Enstar Group Limited**

As Adopted by the Board of Directors  
(November 4, 2015)

This Charter sets forth, among other things, the purpose, membership and duties and responsibilities of the Compensation Committee (the "Committee") of the Board of Directors (the "Board") of Enstar Group Limited (the "Company").

**1. Purpose**

The purpose of the Committee is: (a) to evaluate and establish compensation of the Company's CEO and other executive officers; (b) to prepare any report on executive compensation required by the rules and regulations of the U.S. Securities and Exchange Commission (the "SEC") for inclusion in the Company's annual proxy statement; and (c) to evaluate and make recommendations to the Board regarding the compensation of directors.

**2. Membership**

The Committee shall consist of at least three members. The members of the Committee shall be appointed by the Board and shall serve at the pleasure of the Board for such term or terms as the Board may determine.

Each member of the Committee shall satisfy independence requirements relating to compensation committee members of the NASDAQ Stock Market LLC ("NASDAQ") and the provisions of Rule 10C-1(b)(1)(ii)(A) and (B) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). At least two Committee members shall qualify as "Non-Employee Directors" for the purposes of Rule 16b-3 under the Exchange Act, and as "outside directors" for the purposes of Section 162(m) of the Internal Revenue Code, as amended. A member shall promptly notify the Committee and the Board if the member believes he/she no longer qualifies as an independent compensation committee member as required by NASDAQ, a Non-Employee Director or an outside director.

Determinations of independence shall be made by the Board as the Board interprets such qualifications in its business judgment and in accordance with applicable law and SEC and Nasdaq rules, regulations and standards.

### **3. Structure and Operations**

The Board shall designate one member of the Committee as its chairperson. If a chairperson is not designated by the Board, or if the designated chairperson is not in attendance at a Committee meeting, the members of the Committee may designate a chairperson by majority vote of the full Committee. The affirmative vote of a majority of the members of the Committee participating in any meeting of the Committee is necessary for the adoption of any resolution. The Committee may create one or more subcommittees and may delegate, in its discretion, all or a portion of its duties and responsibilities to such subcommittees.

The Committee shall have at least two regularly scheduled meetings per year, at such times and places as shall be determined by the Committee chairperson, and may have such additional meetings as the Committee chairperson or a majority of the Committee's members deem necessary or desirable. Members of the Committee may participate in a meeting of the Committee by means of conference call or similar communications arrangements by means of which all persons participating in the meeting can hear each other. The Committee may invite such members of management to its meetings as it may deem desirable or appropriate, consistent with the maintenance of the confidentiality of compensation discussions, provided, however, that an executive officer of the Company may not be present during any deliberations of, or voting on, that executive officer's compensation.

### **4. Duties and Responsibilities**

The Committee's duties and responsibilities shall include each of the items enumerated in this Section 4 and such other matters as may from time to time be delegated to the Committee by the Board.

(a) The Committee shall establish the Company's general compensation philosophy, and, in consultation with senior management, oversee the development and implementation of compensation programs.

(b) The Committee shall, at least annually, (i) review and approve corporate goals and objectives relevant to the compensation of the Company's CEO, (ii) evaluate the performance of the CEO in light of those goals and objectives, (iii) report the results of such evaluation to the Board and (iv) have the authority, either as a committee or together with the other independent directors (as directed by the Board), to determine the CEO's compensation level based on this evaluation.

(c) The Committee shall, at least annually, review and approve all compensation arrangements with the CEO and the other executive officers of the Company, including, without limitation: (i) the annual base salary level; (ii) the annual incentive opportunity level; (iii) the long-term incentive opportunity level; (iv) employment agreements, severance arrangements and change-in-control agreements/provisions, in each case as, when and if appropriate; and (v) any

special or supplemental benefits. The CEO may make recommendations to the Committee with respect to executive officer compensation.

(d) The Committee shall review and make recommendations to the Board with respect to the Company's incentive-compensation plans, equity-based plans and deferred compensation plans and oversee the administration of these plans and discharge any responsibilities imposed on the Committee by any of these plans.

(e) The Committee shall approve any grants of the Company's stock and other equity securities and otherwise administer any equity-based compensation.

(f) In evaluating and determining CEO and executive officer compensation, the Committee shall consider the results of the most recent shareholder advisory vote on executive compensation required by Section 14A of the Exchange Act.

(g) The Committee shall periodically review the compensation of the Company's directors and make recommendations to the Board with respect thereto.

(h) The Committee shall oversee the Company's regulatory compliance with respect to compensation matters, including the Company's policies on structuring compensation programs to preserve tax deductibility, and, as and when required, establishing performance goals and certifying that performance goals have been obtained for purposes of Section 162(m) of the Internal Revenue Code.

(i) The Committee shall have risk oversight responsibility relating to risks associated with the design and operation of compensation programs, policies and practices. At least annually, the Committee shall assess whether the design or operation of the Company's compensation programs, policies and practices create any material risks.

(j) The Committee shall monitor compliance with legal prohibitions on loans to directors and executive officers of the Company.

(k) The Committee shall oversee the Company's submissions to shareholders on executive compensation matters, including advisory votes on executive compensation and the frequency of such votes and incentive and other executive compensation plans and, to the extent required under NASDAQ listing standards, amendments to those plans.

(l) The Committee shall, on an annual basis or more frequently from time to time as may be required by applicable law, review and discuss with management the Compensation Discussion & Analysis ("CD&A") required by Item 402 of Regulation S-K. Based on such review and discussion, the Committee shall make a recommendation to the Board on whether the CD&A be included in the Company's proxy statement.

(m) The Committee shall prepare annually, above the names of the members of the Committee, the Compensation Committee Report required by Item 407 of Regulation S-K.

(n) The Committee shall undertake and review with the Board an annual performance evaluation of the Committee, which shall compare the performance of the Committee with the requirements of this Charter and set forth the goals and objectives of the Committee for the upcoming year. The Committee shall conduct such performance evaluation in such manner as the Committee deems appropriate, and may report the results of its performance evaluation through an oral report by the chairperson of the Committee or any other member of the Committee designated by the Committee to make this report.

(o) The Committee shall annually review and reassess the adequacy of this Charter and recommend to the Board for approval such changes as the Committee believes are appropriate.

(p) The Committee shall report to the Board periodically on all matters for which the Committee has responsibility.

(q) The Committee shall exercise such other powers and perform such other duties and responsibilities as are incidental to the purposes, duties and responsibilities specified herein and as may from time to time be delegated to the Committee by the Board.

## **5. Authority and Resources**

The Committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, legal counsel or other advisor to assist with the execution of its duties and responsibilities as set forth in the Charter. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel or other advisor retained by it. The Committee may select or receive advice from a compensation consultant, legal counsel or other advisor only after considering the independence of such advisor in accordance with applicable NASDAQ listing standards (other than in-house legal counsel).

The Committee shall evaluate whether any compensation consultant retained or to be retained by it has any conflict of interest in accordance with Section 407(e)(3)(iv) of Regulation S-K promulgated under the Exchange Act.

The Company shall pay to any compensation consultant, legal counsel or other advisor retained by the Committee such compensation, including, without limitation, usual and customary expenses and charges, as shall be determined by the Committee.