



**Blue Capital Reinsurance Holdings Ltd.**  
**Director Nomination Policy**  
**of the**  
**Compensation and Nominating Committee**

This policy is subject to modification from time to time by the Board of Directors (the “Board”) of Blue Capital Reinsurance Holdings Ltd. (the “Company”) as the Board may deem appropriate or in the best interests of the Company or as required by applicable laws.

**I. Minimum Qualifications for Director Nominees and any other skills**

A nominee recommended for a position on the Board should meet the following minimum qualifications:

- he or she must be over 21 years of age;
- he or she must have the highest standards of integrity;
- he or she must have significant accomplishments in his or her chosen field of expertise;
- he or she must have experience with a high degree of responsibility in a business, non-profit organization, educational institution, professional services firm or other organization;
- he or she must be able commit the appropriate time for preparing for Board meetings, attending meetings and other corporate governance matters;
- he or she must be able to read and understand basic financial statements; and
- he or she must be familiar with the role of the board of directors in a company.

**II. Process for Evaluation of Director Nominees**

The Compensation and Nominating Committee should initiate the process for identifying and evaluating potential nominees to the Board by seeking candidates who meet the minimum criteria for selection and have the specific qualities or skills being sought based on input from members of the Board. The Compensation and Nominating Committee may identify potential nominees for director through director suggestions, management recommendations, business, insurance industry and other contacts and shareholder recommendations. The Compensation and Nominating Committee may, to the extent it deems appropriate, engage a third-party search firm and other advisors to identify potential nominees for director.

The Compensation and Nominating Committee should initiate the evaluation of the director candidates by reviewing their biographical information and qualifications. Upon assessment by the Compensation and Nominating Committee, candidates who meet the minimum qualifications and other criteria (as described below) may be interviewed by at least one member of the Compensation and Nominating Committee. Members of the Board may also have an opportunity to interview qualified candidates.

The Compensation and Nominating Committee then should determine, based on the background information and the information obtained in the interviews, whether to recommend to the Board that a candidate be nominated to fill a directorship with an expiring term. Candidates recommended by the Compensation and Nominating Committee to fill a directorship will be presented to the Board for selection as nominees to be presented for the approval of the shareholders (unless appointed to fill a casual vacancy).

The Compensation and Nominating Committee should use the discretion and powers granted to it to evaluate a potential nominee by considering whether the potential nominee meets the minimum qualifications, as well as by considering the following factors and whether or not the following factors are appropriate and important qualities for a particular potential director candidate:

- whether the potential nominee has leadership, strategic or policy setting experience in a complex organization, in particular, experience in the operation of a public company;
- whether the potential nominee has experience and expertise that is relevant to the Company's insurance and reinsurance business, including any specialized business experience, actuarial or underwriting expertise or other specialized skills, and whether the potential nominee has knowledge regarding issues affecting the Company;
- whether the potential nominee's qualities and accomplishments complement the Board's existing strengths;
- whether the potential nominee would assist the Board in achieving a mix of Board members that represents a diversity of background and experience;
- whether the potential nominee is highly accomplished in his or her respective field and commands a reputation commensurate with his or her accomplishments;
- whether the potential nominee demonstrates an ability to contribute meaningfully to the needs of the Company and the Board;
- whether the potential nominee has high ethical character and a reputation for honesty, integrity and sound business judgment;
- whether the potential nominee is independent, as defined by NYSE listing standards;

- whether the potential nominee is free of any conflict of interest, or the appearance of any conflict of interest, with the best interests of the Company and its shareholders;
- whether the potential nominee is willing and able to represent the interests of all shareholders of the Company;
- whether the potential nominee is financially literate, has accounting or related financial management expertise as defined by NYSE listing standards or qualifies as an audit committee financial expert, as defined by SEC rules and regulations; and
- any factor affecting the ability or willingness of the potential nominee to devote sufficient time to Board activities and to enhance his or her understanding of the Company's business.

The Compensation and Nominating Committee may determine that members of the Board should have diverse experiences, skills and perspectives as well as knowledge in the areas of insurance, reinsurance, investment, financial services and other aspects of the Company's activities.

In addition, the Compensation and Nominating Committee may determine that it is desirable that one of the Company's directors serving on the Company's Audit Committee possess such qualities and skills as are necessary for him or her to qualify as an audit committee financial expert, as defined in SEC rules and regulations.

With respect to an incumbent director whom the Compensation and Nominating Committee is considering as a potential nominee for re-election, the Compensation and Nominating Committee's reviews may consider the incumbent director's service to the Company during his or her term, including the number of meetings attended, level of participation and overall contribution to the Company.

### **III. Submission of Shareholder Recommendations for Director Candidates**

To ensure that highly qualified individuals are identified, the Compensation and Nominating Committee considers for nomination to the Board persons recommended by shareholders. A shareholder who wishes to recommend a person or persons for consideration by the Compensation and Nominating Committee as a candidate for nomination to the Board must be (i) entitled to vote at the annual general meeting on the election of Directors and (ii) a shareholder of record at the time such nomination or recommendation is received by the Company Secretary.

A shareholder who wishes to recommend a person or persons for consideration as a Company nominee for election to the Board should send a written notice by mail, c/o Company Secretary, Blue Capital Reinsurance Holdings Ltd., Waterloo House, 100 Pitts Bay Rd., Pembroke, Bermuda HM08 and include the following information:

1. the name(s) and address(es) of the shareholder(s) making the recommendation, the number of common shares which are owned beneficially and of record by such shareholder(s) and the period for which such common shares have been held;

2. the name of each person whom the shareholder(s) recommend(s) to be considered as a nominee;
3. a description of the relationship between the shareholder(s) making the recommendation and each potential nominee;
4. a business address and telephone number for each potential nominee (an e-mail address may also be included);
5. biographical information regarding such potential nominee, including the person's employment and other relevant experience and a statement as to the qualifications of the nominee;
6. all information relating to such potential nominee required to be disclosed pursuant to Regulation 14A under the Securities Exchange Act of 1934; and
7. the written consent to nomination and to serving as a director, if nominated and elected, of the recommended nominee.

Upon receipt of any such recommendations, the Company may request that the potential nominee complete a Directors' and Officers' Questionnaire soliciting information about such potential nominee's independence, related parties transactions and other relevant information required to be disclosed by the Company.

Shareholder recommendations of director nominees to be included in the Company's proxy materials will be considered only if received not later than 90 days nor more than 120 days prior to the first anniversary of the preceding year's annual general meeting.

A shareholder who desires instead to directly nominate a candidate for election to the Board at the annual general meeting or a special general meeting must meet the deadlines and other requirements set forth in the Company's Bye-Laws.