

**RAM HOLDINGS LTD.**  
(a Bermuda company)

**RAM Re House  
46 Reid Street  
Hamilton HM 12  
Bermuda**

---

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS  
To Be Held Wednesday December 17, 2009**

---

Dear Shareholders:

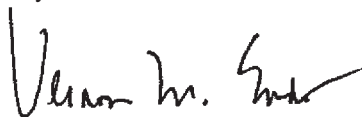
We are pleased to invite you to our 2009 Annual General Meeting of Shareholders, which we refer to as the "Annual Meeting". We will hold the Annual Meeting at the Hamilton Princess Hotel, 76 Pitts Bay Road, Hamilton, Bermuda, on Wednesday December 17, 2009 at 10:30 a.m. local time. The purpose of the Annual Meeting is:

1. To make various amendments to RAM Holdings' Bye-Laws, including to (i) reduce the required minimum number of directors from eleven (11) to five (5); (ii) reduce the maximum directors from fifteen (15) to eleven (11); (iii) allow The PMI Group, Inc., PMI Mortgage Insurance Co. or any successor entity, which we collectively refer to as "PMI", to appoint a director to the board of directors in the event that it cannot elect a director through cumulative voting due to a voting cutback and provided it owns at least 8.3% of the then outstanding common shares; (iv) enable PMI to fill vacancies relating to the directors it was able to elect through cumulative voting (as well as any replacements of those directors); and (v) enable the PMI rights under the Bye-Laws to be assumed by any purchaser of a number of RAM Holdings shares held by PMI (referred to as the "PMI shares") equal to at least the lesser of 5,270,034 or 20% of the then outstanding common shares, subject to limited exceptions.
2. To elect the directors of RAM Holdings Ltd., which we refer to as RAM Holdings, to serve until RAM Holdings' 2010 annual general meeting.
3. To appoint PricewaterhouseCoopers, Hamilton, Bermuda, as RAM Holdings' independent auditors for 2009, and to authorize the directors of RAM Holdings, acting by the Audit Committee, to determine the independent auditors' fee.
4. To reaffirm the power and authority of the board of directors under the Bye-Laws to issue and allot any unissued shares of the Company on such terms and conditions as the Board may determine in its absolute discretion.
5. To direct RAM Holdings to act on various matters concerning our subsidiary, RAM Reinsurance Company Ltd. ("RAM Re").

Enclosed is our Proxy Statement, which explains the matters to be acted upon at the Annual Meeting, and our 2008 Annual Report, which includes our financial statements and schedules for the year ended December 31, 2008. The audited consolidated financial statements for RAM Holdings for the year ended December 31, 2008 and accompanying auditors' report will be presented at the Annual Meeting.

You may vote at the Annual Meeting if you were a shareholder of record, as shown by the register of shareholders of RAM Holdings, at the close of business on November 5, 2009.

By order of the board of directors,



Vernon M. Endo  
*Director, Chief Executive Officer*

November 16, 2009  
Hamilton, Bermuda

**PROXY STATEMENT  
TABLE OF CONTENTS**

	<u>Page</u>
Information About Our Annual General Meeting of Shareholders.....	1
Information About Directors, Corporate Governance, Bye-Laws and Director Compensation ..	4
Information About Our Executives and Executive Compensation.....	16
Information About the Owners of Our Common Shares.....	17
Proposals Recommended by the Board of Directors.....	18
Additional Information.....	20

# RAM HOLDINGS LTD.

(a Bermuda company)

RAM Re House, 46 Reid Street, Hamilton HM 12, Bermuda

---

## PROXY STATEMENT

---

### INFORMATION ABOUT OUR ANNUAL GENERAL MEETING OF SHAREHOLDERS

We are sending you this Proxy Statement because our board of directors is soliciting your proxy to vote at the 2009 Annual General Meeting of shareholders of RAM Holdings Ltd., which we refer to as our "Annual Meeting".

#### Date, Time and Location of the Annual Meeting

We will hold the Annual Meeting at the Hamilton Princess Hotel, 76 Pitts Bay Road, Hamilton, Bermuda on at Wednesday December 17, 2009 at 10:30 a.m., local time.

#### Proposals to be Voted on at the Annual Meeting

The proposals to be voted on at the Annual Meeting are:

1. To make various amendments to RAM Holdings' Bye-Laws, including to (i) reduce the required minimum number of directors from eleven (11) to five (5); (ii) reduce the maximum number of directors from fifteen (15) to eleven (11); (iii) allow The PMI Group, Inc., PMI Mortgage Insurance Co. or any successor entity, which we collectively refer to as "PMI", to appoint a director to the Board of Directors in the event that it cannot elect a director through cumulative voting due to a voting cutback and provided it owns at least 8.3% of the then outstanding common shares; (iv) enable PMI to fill vacancies relating to the directors it was able to elect through cumulative voting (as well as any replacements of those directors); and (v) enable the PMI rights under the Bye-Laws to be assumed by any purchaser of a number of RAM Holdings shares held by PMI (referred to as the "PMI shares") equal to at least the lesser of 5,270,034 or 20% of the then outstanding common shares, subject to limited exceptions.
2. To elect the directors of RAM Holdings Ltd., which we refer to as RAM Holdings, to serve until RAM Holdings' 2010 annual general meeting.
3. To appoint PricewaterhouseCoopers, Hamilton, Bermuda, as RAM Holdings' independent auditors for 2009, and to authorize the directors of RAM Holdings, acting by the Audit Committee, to determine the independent auditors' fee.
4. To reaffirm the power and authority of the Board of Directors under the Bye-Laws to issue and allot any unissued shares of the Company on such terms and conditions as the Board may determine in its absolute discretion.
5. To direct RAM Holdings' to act on various matters concerning our subsidiary, RAM Re.

#### RAM Holdings 2008 Annual Report

We have enclosed our 2008 Annual Report with this Proxy Statement. The 2008 Annual Report is included for informational purposes and not as a means of soliciting your proxy. **Additional copies of the 2008 Annual Report, including our Annual Report on Form 10-K (the "2008 10-K") and financial statements and schedules for the year ended December 31, 2008, may be obtained, without charge, by writing to the Secretary of RAM Holdings, RAM Re House, 46 Reid Street, HM 12,**

**Bermuda. The audited consolidated financial statements for RAM Holdings for the year ended December 31, 2008 and accompanying auditors' report will be presented at the Annual Meeting.**

### **Mail Date**

This Proxy Statement, and the accompanying Notice of Annual General Meeting of Shareholders and Proxy, are first being mailed to shareholders on or about November 19, 2009.

### **Our Voting Securities**

The record date for our Annual Meeting is November 5, 2009. If you owned RAM Holdings common shares at the close of business on November 5, 2009, you may vote at the Annual Meeting. On the record date, 26,350,174 of our common shares were issued and outstanding. The common shares are our only class of equity securities issued and outstanding and entitled to vote at the Annual Meeting.

### **Number of Votes for each Common Share**

In general, you have one vote for each common share owned at the record date. The following exceptions may apply:

#### *Reduction or Increase of Voting Power Under our Bye-laws*

Under our Bye-Laws, if you are a U.S. shareholder, other than our shareholder PMI, who controls, directly, indirectly or constructively, as described in our Bye-Laws, more than 9.9% of our common shares, your total voting power will be reduced to 9.9% of the total voting power of our common shares. The determination of control is made under the relevant provisions of the Internal Revenue Code of 1986, as amended (the "Code"). These provisions may attribute to you ownership of shares held by another shareholder who has invested in the same partnership as you have, among other types of "constructive" ownership. In addition, our board of directors may otherwise limit your voting rights if the board believes it is necessary to do so to avoid adverse tax, legal or regulatory consequences.

If the voting power of any of our shareholders is reduced under our Bye-Laws, this reduction may increase another shareholder's voting power to more than 9.9%. In this case, our Bye-Laws would repeatedly reduce the voting power of all affected shareholders until no shareholder, other than PMI, has voting power of more than 9.9%. If we believe you are a U.S. shareholder who may control more than 9.9% of our common shares, we may ask you to provide us with additional information so that we can verify your ownership and determine if your voting power needs to be reduced. We may disregard the votes of any shareholder who fails to respond to a request for further information or who, in our judgment, submits incomplete or inaccurate information. In addition, because we may not know about your ownership, we request that you contact us promptly if you believe you may control more than 9.9% of the common shares. When you submit your proxy, we will consider the submission confirmation that, to your knowledge, you do not control, and you are not acting on behalf of a shareholder who controls, more than 9.9% of our common shares.

PMI owns approximately 24.49% of our common shares. If at any time the controlled shares of PMI constitute (i) more than 9.9% of the voting power controlled by our shares and (ii) 24.5% or more of either the voting power or value of our shares, the voting rights with respect to the controlled shares owned by PMI will be limited to a voting power of 9.9%. If the above voting limitations must be applied as described above, the voting limitation will apply to PMI only after the limitation has been applied to all other shareholders whose votes are subject to reduction. Further, the voting power held by PMI will not be reduced to below 9.9% by operation of these provisions. This would likely have the effect of eliminating the voting power of all other shareholders whose votes are subject to reduction.

### *Cumulative Voting*

In the case of the election of directors only, you may vote your shares on a cumulative basis, meaning you will have a number of votes equal to the product of the number of shares owned by you and the number of directors to be elected. If you wish to vote your shares cumulatively, you must provide notice to the Secretary of RAM Holdings at the address above at least two days prior to the date of the Annual Meeting. If any shareholder has notified us that he or she will be voting on a cumulative basis, then all shareholders may cumulate their votes for directors at the Annual Meeting. If cumulative voting is in effect, common shares represented by a valid proxy at the Annual Meeting will be voted on a cumulative basis and distributed among director nominees in accordance with the judgment of the appointed proxies. However, no votes of a shareholder will be distributed to a nominee for whom the shareholder voted against or withheld his or her vote.

### **Quorum Requirement**

The presence of two persons, representing in person or by proxy shares carrying more than 50% of the voting power of our issued and outstanding common shares as of November 5, 2009, the record date of the Annual Meeting, is necessary to constitute a quorum at the Annual Meeting. Assuming that a quorum is present, the affirmative vote of the holders of a simple majority of the common shares voted at the Annual Meeting in person or by proxy will be required to approve each of the matters to be voted upon at the Annual Meeting, with the exception of Proposal 1, which required 66% of the voting power of our issued and outstanding common shares along with the consent of PMI.

### **Voting Methods**

If you are a registered shareholder, meaning that your name and shareholdings are registered in our register of shareholders, you may exercise your vote by completing, signing and returning by mail the enclosed form of proxy so that it is received at least 24 hours before the Annual Meeting, or in person at the Annual Meeting. When you exercise your vote by using the form of proxy, you are instructing another person to vote your shares for you at the Annual Meeting in the manner that you indicate. These persons, called proxies, are named on your proxy card. If you have not provided instructions in the proxy, your shares will be voted FOR each of the proposals described in this Proxy Statement and set forth on the form of proxy, and in accordance with the proxy holder's discretion as to any other business as may properly come before the Annual Meeting. Please see above, "Number of Votes for each Common Share," for information about cumulative voting.

If, like many shareholders, you are a beneficial shareholder and hold your shares in "street name," meaning that you hold your shares through a bank, broker or other institution, you must instruct that institution how to vote your shares. They will usually provide you with an appropriate voting instruction form when they send you this proxy statement.

### **Revocation of Proxy**

If you are a registered shareholder and you use the enclosed form of proxy, you can revoke your proxy or change your voting instructions in one of these ways:

- (1) By delivering another proxy dated after your prior proxy no less than 24 hours before the Annual Meeting to the Secretary of RAM Holdings at the address above.
- (2) By attending the Annual Meeting and voting in person; or
- (3) By delivering a written notice of revocation of your proxy no less than 24 hours before the Annual Meeting to the Secretary of RAM Holdings at the address above.

If you are a beneficial shareholder, you should contact the institution that holds your shares directly to change your voting instructions.

## **Voting in Person**

If you are a registered shareholder, you may vote your shares in person even if you have returned a proxy. If you choose to vote your shares in person at the Annual Meeting, please bring the enclosed proxy card and proof of identification. Even if you plan to attend the Annual Meeting, we recommend that you appoint a proxy in advance, as described above, so that your vote will be counted if you are unable to attend the Annual Meeting.

## **Abstentions**

If you are a registered shareholder and abstain from voting on a proposal, your vote will not count as a vote cast, but the abstention will be represented at the Annual Meeting and will count toward establishing a quorum.

If you are a registered shareholder and you do not vote, your shares will not be represented at the Annual Meeting and will not affect the outcome of our proposals. If you are a registered shareholder and return a blank but signed proxy card, your shares will be voted in the manner recommended by our board of directors, which is FOR Proposals 1–5. This will generally also be the case for beneficial shareholders, as explained in more detail below.

## **Broker non-votes**

If you are a beneficial shareholder and you do not give voting instructions to your broker, your broker may have discretionary authority to vote your shares for you on certain proposals that are considered routine matters. Brokers who have discretionary authority generally vote in the manner recommended by our board of directors, which would be FOR Proposals 1–5 in this case. When a broker votes a client's shares on some but not all of the proposals, the missing votes are called broker non-votes. If broker non-votes occur at the Annual Meeting, the shares in this category will count toward the establishment of a quorum, but the broker non-votes will have no effect on the outcome of those proposals on which the broker does not or cannot vote.

## **Availability of the proxy statement and annual report online**

This proxy statement and our annual report for 2008 are available at [www.ramre.com](http://www.ramre.com) by first clicking "Investor Information" and then "Corporate Governance".

## **INFORMATION ABOUT DIRECTORS, CORPORATE GOVERNANCE, BYE-LAWS AND DIRECTOR COMPENSATION**

### **Corporate Governance Guidelines**

We have adopted Corporate Governance Guidelines to assist our board of directors in the exercise of its responsibilities to RAM Holdings. The Corporate Governance Guidelines are available on our website at [www.ramre.com](http://www.ramre.com) by first clicking "Investor Information" and then "Corporate Governance". The Corporate Governance Guidelines set out the role, duties and responsibilities of our board of directors and other governance matters. The Corporate Governance Guidelines are reviewed annually by the Nominating and Corporate Governance Committee.

### **Bye-Laws**

Since we have not written business since early 2009 our strategy has been to:

- manage our liquidity to meet all required obligations;
- continue risk reduction by commuting business economically;
- use our excess capital to deleverage our balance sheet; and
- reduce operating expenses consistent with our business requirements.

Our proposal to reduce the size of our Board of Directors to a minimum of 5 directors is consistent with the objective of reducing the operating expenses of RAM Holdings and RAM Re



and we expect to save approximately \$275,000 annually. In connection with this amendment it is necessary to provide PMI with the continuing ability to appoint a director in the event that it is no longer able to effect the election of a director using its cumulative voting rights (see “Information about our Annual General Meeting of Shareholders—Number of Votes for each Common Share—Cumulative Voting” above) by operation of a reduction in its voting power (see “Information about our Annual General Meeting of Shareholders—Number of Votes for each Common Share—Reduction or Increase of Voting Power under our Bye-Laws” above). In that event PMI would not be able to vote a director of its choosing on to the Board even though it may continue to hold a significant amount of the outstanding RAM Holdings shares. The amendments also would enable PMI to fill vacancies arising between shareholder meetings with respect to directors it was able to elect through cumulative voting (as well as any replacements of those directors). In addition, PMI will be granted a right to designate (on a one time basis) a purchaser of a number of PMI shares equal to at least the lesser of 5,270,034 or 20% of the then outstanding common shares to assume its rights under the Bye-Laws, subject to certain exceptions as provided in the Bye-Laws attached as Annex A hereof. The amendments to the Bye-Laws also contain other changes, including changes that provide PMI with additional rights that are not applicable to other shareholders. You should read all of the amendments carefully, and the foregoing is qualified in its entirety by reference to Annex A.

### **Composition of the Board of Directors**

There are currently nine (9) directors on the board of each of RAM Holdings and RAM Re. The total number of directors who serve on each board at any given time is currently set at 11, but this number may increase up to a maximum of fifteen board members subject to the following exception: pursuant to Bye-Law 39.5 of RAM Re and the certificate of designation, preferences and rights, which sets forth the terms relating to RAM Re’s Class B preference shares, the size of the board of RAM Re may automatically be expanded by two members (subject to the consent of RAM Re’s shareholders) upon a failure by RAM Re to pay dividends to holders of RAM Re’s Class B preference shares for a period in excess of eighteen consecutive months. RAM Re currently has 500.01 Class B preference shares outstanding. As previously announced, after the June 15, 2009 dividend on the Class B preference shares was declared, RAM Re suspended subsequent dividends on the Class B preference shares.

Furthermore, if shareholders approve the amendment to RAM Holdings’ and RAM Re’s Bye-Laws, as contemplated by Proposal 1 and 5 at the Annual General Meeting, the minimum number of Directors on each of RAM Holdings’ and RAM Re’s Board of Directors will be reduced from eleven (11) to five (5). It is proposed that the following 5 directors be appointed by the Shareholders as contemplated by Proposal 1 and Proposal 5: (i) Edward F. Bader; (ii) David L. Boyle; (iii) Steven J. Tynan; (iv) Conrad P. Voldstad; and (v) Lloyd A. Porter as the PMI Director. However, if the shareholders do not approve the amendment to RAM Holdings’ and RAM Re’s Bye-Laws, as contemplated by Proposal 1 and Proposal 5, the minimum number of directors on each of RAM Holdings’ and RAM Re’s board of directors will continue to be eleven (11). It is proposed that the following eleven (11) directors be appointed by the Shareholders as contemplated by Proposal 2 and Proposal 5: (i) Edward F. Bader; (ii) David L. Boyle; (iii) Christopher G. Brunetti; (iv) Allan S. Bufferd; (v) Joseph M. Donovan; (vi) Vernon M. Endo; (vii) Lloyd A. Porter; (viii) Steven J. Tynan; (ix) Conrad P. Voldstad; (x) Edward U. Gilpin; and (xi) David K. Steel.

### **Director Biographies**

Set forth below is biographical information concerning each current director and director nominee of RAM Holdings and RAM Re, who may be appointed at the Annual General Meeting including each such individual’s principal occupation and the period during which such person has served as a director of RAM Holdings and RAM Re, if applicable. Information about share ownership of certain directors as of December 31, 2008 can be found in Part III, Item 12 “Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters” of our 2008 10-K, which is included as part of our 2008 Annual Report delivered herewith.

**Edward F. Bader**  
Age 68  
Director since 2004

Mr. Bader owns Bader & Associates, a consulting firm. Prior to founding Bader & Associates in August 2001, Mr. Bader was a partner in the Insurance Services Practice of Arthur Andersen LLP with more than 37 years of experience in accounting and auditing concentrating in the insurance industry. He served as the head of Andersen's World Wide Insurance Practice Group. Mr. Bader received a B.S. degree in Economics from Fairfield University.

**David L. Boyle**  
Age 62  
Director since 2005

Mr. Boyle retired as Vice Chairman and Head of Portfolio Risk Management for Ambac Financial Group, Inc. in 2005, where he served in many different executive management capacities for eight years. Previously, Mr. Boyle was a Managing Director at Citibank, N.A. where he had various management responsibilities over a career spanning from 1974 to 1996. He is the former chairman of the Association of Financial Guaranty Insurers, and currently serves on the Board of Trustees of Wittenberg University. Mr. Boyle received a B.S. from Wittenberg University and an M.B.A. from the Fisher College of Business at The Ohio State University.

**Christopher G. Brunetti**  
Age 46  
To be nominated as a Director on  
December 17, 2009

Mr. Brunetti is Vice President, Structured Products and Assistant General Counsel of PMI Mortgage Insurance Co. In his role he provides transactional, corporate and regulatory legal advice. Prior to joining PMI in 1999 he provided similar legal advice as an attorney with a predecessor firm to Dewey LeBoeuf. Mr. Brunetti also currently serves on the board of directors of certain subsidiaries of The PMI Group, Inc. Mr. Brunetti received an A.B. degree in Mathematics from Vassar College and a J.D. degree from Boalt Hall School of Law, University of California.

**Allan S. Bufferd**  
Age 72  
Director since 2006

Mr. Bufferd retired in June 2006 after a thirty-four year career at Massachusetts Institute of Technology, most recently as Treasurer and the Founding President of the MIT Investment Management Company. During his tenure, Mr. Bufferd participated in the management of MIT's investment portfolio. Mr. Bufferd serves as a director of Och-Ziff Capital Management Group, a NYSE listed company and City of London Investment Management Group, a London AIM listed company. Mr. Bufferd serves as a Trustee of the Whiting Foundation and a Trustee of the Robert Wood Johnson Foundation. He is also an investment advisor to the Grayce B. Kerr Foundation, and an investment advisor to the National University of Singapore. In addition, he is the Chairman of the Harvard Cooperative Society and of the Controlled Risk Insurance Company/Risk Management Foundation (CRICO/RMF); and a Director of the Harvard Cooperative Society, the Beth Israel Deaconess Medical Center, CRICO/RMF, Adveq (Switzerland), and Morgan Stanley Prime Property Fund, Bessemer Trust BGO Fund, Boston Advisors LLC, International Data Group, M Funds and Makena LLC. Mr. Bufferd holds three MIT degrees in materials engineering: the S.B., S.M. and Sc.D., as well as a J.D. from Suffolk University.



**Joseph M. Donovan**

Age 54

Director since 2007

Prior to his retirement in January 2007, Mr. Donovan was chairman of Credit Suisse's asset-backed securities and debt financing group, which he led for nearly seven years. Prior thereto, Mr. Donovan was a managing director and head of asset finance at Prudential Securities (1998-2000) and Smith Barney (1995-1997). Mr. Donovan began his banking career at The First Boston Corporation in 1983, ultimately becoming a managing director at CS First Boston, where he served as Chief Operating Officer of the Investment Banking Department from 1992 to 1995. Mr. Donovan received his MBA from The Wharton School and has a degree in Accountancy from the University of Notre Dame. Mr. Donovan is the Lead Independent Director and Chairman of the Audit Committee of Babcock & Brown Air Limited, a NYSE listed aircraft leasing company headquartered in Dublin, Ireland and a director of First Again, LLC, a consumer finance company in San Diego, California.

**Vernon M. Endo**

Age 55

President and Chief Executive  
Officer Director since 2003

Mr. Endo joined the Company in 2003 from GFGC LLC, a startup venture formed to establish a European-based financial guaranty company, where he was CEO and co-founder. Mr. Endo was a managing director and member of the corporate leadership team and board of directors at FGIC from 1991 to 2001. During his tenure at FGIC, he was responsible for various business segments including structured finance, bond insurance underwriting (including public finance and international), capital markets and new products. Between 1988 and 1991, Mr. Endo was a managing director responsible for the mortgage finance unit and was later a member of the financial institutions group at Prudential Securities. He began his career at Citibank in 1976. He is Vice Chairman and a director of the Association of Financial Guaranty Insurers. Mr. Endo attended Williams College where he graduated with a B.A. in political science.

**Edward U. Gilpin**

Age 48

Chief Financial Officer since 2008

Edward U. Gilpin, Chief Financial Officer, joined the Company in 2008 from ACA Capital Holdings, Inc. (Pink Sheets: ACAH), a holding company that provides asset management services and credit protection products, where he was Executive Vice President and Chief Financial Officer and a Director. Prior to joining ACA Capital in 2001, Mr. Gilpin was Vice President in the Financial Institutions Group at Prudential Securities, Inc.'s investment banking division. From 1998 to 2000, Mr. Gilpin served in the capacity of Chief Financial Officer for an ACA Capital affiliated 'AAA' start-up venture. From 1991 to 1998, Mr. Gilpin was with MBIA, Inc (NYSE: MBI), holding various positions in the finance area. His most recent position with MBIA was Director, Chief of Staff for MBIA's President. Mr. Gilpin began his career as an Assistant Vice President in the Mutual Funds Department of BHC Securities, Inc. Mr. Gilpin is a graduate of St. Lawrence University with a Bachelors of Science degree. He received a Masters of Business Administration in Finance from Columbia University. Mr. Gilpin is a FINRA Financial and Operations

**Lloyd A. Porter**  
Age 49  
Director since 2008

Principal and was an Adjunct Faculty Member of the NYU School of Business, Law & Taxation from 1994-1998.

Lloyd A. Porter is Executive Vice President, Chief Risk Officer for PMI. Mr. Porter is responsible for PMI's Risk Management department. His responsibilities include portfolio management and risk exposure optimization, reinsurance, reserving, pricing, corporate credit policy and asset disposition. Prior to assuming this role Mr. Porter managed PMI's non-US mortgage insurance activities. Residing in Dublin, Ireland, he oversaw the company's activities in Australia, Europe, Hong Kong, and Canada. Other assignments included establishing PMI's Hong Kong business and directing the acquisition and integration of PMI's Australian venture, MGICA. He also lived and worked in Sydney, Australia. Mr. Porter also led the 2001 acquisition of CGU's mortgage insurance business in Australia/New Zealand. Prior to assuming the leadership role for international markets, Porter managed institutional markets, implementing the use of PMI's automated underwriting system in the capital markets. Mr. Porter is a founding board member of the Habitat for Humanity Ireland. A graduate of the University of California at Los Angeles, Mr. Porter holds bachelor's degrees in economics and psychology and has received advanced training at Northwestern University's executive management program. He was awarded "Faculty Fellow" by the U.S. Mortgage Bankers Association for commitment and excellence in teaching in the School of Mortgage Banking.

**Steven J. Tynan**  
Age 55  
Director since 1998 Chairman of the Board of Directors since 2001

Mr. Tynan co-founded High Ridge Capital LLC, a private equity firm that specializes in the insurance sector, in 1995 and has served as a member of the firm since that time. In his capacity with High Ridge, Mr. Tynan has served on the boards of numerous private insurance, reinsurance and related entities.

**David K. Steel**  
Age 52  
Chief Risk Manager since 2005

David K. Steel, Chief Risk Manager, is responsible for credit policy and approval, portfolio surveillance, risk reporting, loss reserving and treaty negotiations. Mr. Steel joined RAM Re in August 2005 from Hanover Capital Mortgage Holdings, Inc. where he was a Managing Director and Portfolio Manager. Prior to Hanover, Mr. Steel served as head of the Domestic Mortgage Insurance and Reinsurance business at ACE Capital Re, Inc. from 2002 to 2004. Prior to ACE, Mr. Steel worked at FGIC from 1990 to 2002 where he was a member of the corporate leadership team and headed the Mortgage-Backed Securities and Investments business. He began his career at Lehman Brothers in 1984. Mr. Steel holds an M.B.A. from the University of California, Los Angeles and a B.S. from California State University, Sacramento.

**Conrad P. Voldstad**  
Age 59  
Director since 2006

From 2002 through 2006, Mr. Voldstad was a founding Principal of Arlington Hill Investment Management LLC, which managed Arlington Hill Debt Strategies (Master), Ltd. a Cayman Islands debt and currency hedge fund. From 2001 to 2002, Mr. Voldstad was Chief Executive Officer of

Polestar Capital Group, LLC, a structured finance company that developed a proprietary technique for financing tenant improvements associated with commercial real estate leases. In 2000, Mr. Voldstad advised Dresdner Kleinwort Benson regarding its strategy for investment banking in the U.S. From 1988 to 1999, Mr. Voldstad was employed at Merrill Lynch, first in London (1988 to 1997) and then in New York. At Merrill Lynch in London, Mr. Voldstad became the Head of European Debt Markets (1995 to 1997). From 1997 to 1998, he was Co-Head of Global Debt Markets. From 1998 to 1999, he was a member of the Oversight Committee that liquidated the assets and positions of Long Term Capital. Mr. Voldstad began his career at J.P. Morgan & Co. in 1974 where he was employed until 1988. Mr. Voldstad has a J.D. degree from Fordham University, an M.B.A. from the Amos Tuck School of Business at Dartmouth College and a B.A. degree from Boston College. Mr. Voldstad is a member of the Board of Overseers at the Amos Tuck School.

## **Independence**

As previously announced, RAM Holdings delisted its common shares from the NASDAQ Stock Exchange and ceased filing public reports with the U.S. Securities and Exchange Commission (the “SEC”) on May 14, 2009. However, we have continued to evaluate the independence of our directors and Audit Committee members based on the NASDAQ and SEC rules. We believe that each nominee of our board of directors, except for Mr. Endo, Mr. Gilpin and Mr. Steel, is “independent” within the meaning of the NASDAQ rules. Mr. Endo and Mr. Gilpin are not “independent” because they are executive officers of RAM Holdings and RAM Re. Further, Mr. Endo, Mr. Gilpin and Mr. Steel are employees of RAM Holdings. In determining the independence of the remaining members and nominees of our board of directors, the Nominating & Corporate Governance Committee and our board of directors considered the following transactions, relationships and arrangements:

- With respect to Mr. Tynan, who serves as Chairman of the board of directors: (i) from January, 2005 through July, 2007, Mr. Tynan received compensation of \$150,000 per year (but no other retainers, fees, equity awards or other compensation) to serve as Chairman of the board of directors and in fiscal year 2008, Mr. Tynan received compensation of \$77,000 (but no other retainers, fees, equity awards or other compensation) to serve as Chairman, (ii) in each of the last three years, Mr. Tynan has not conducted activities for us other than in his capacity as a director, nor has he received compensation from us for activities other than for his services as a director, (iii) our other compensated directors have received an amount that is significantly less than \$150,000 per year for their duties as director, (iv) Mr. Tynan’s duties as Chairman are significantly more onerous and time consuming than that of each of the other directors, (v) the fees that have been paid to Mr. Tynan for the past three years were solely as compensation for his services as Chairman of the Board. See Part III, Item 11 “Executive Compensation—Director Compensation” in our 2008 10-K, which is included as part of our 2008 Annual Report delivered herewith.
- Mr. Brunetti is an officer of PMI Mortgage Insurance Co. and Mr. Porter is an officer of PMI. Mr. Bradley M. Shuster, who was a director until October 2008, was an officer of PMI and a former director of Financial Guaranty Insurance Company, or FGIC. Mr. Michael J. Normile, who was a director until September 2009, was a director of PMI Guaranty. Mr. Victor J. Bacigalupi, who was a director until February 18, 2008, was an officer of PMI. Mr. Mark F. Milner, who was a director until February 22, 2008, was an officer of a subsidiary of PMI. PMI owns 24.49% of our common shares. In addition, PMI owns a 42% interest in FGIC, one of our customers through 2007, as discussed in Part III, Item 13 “Certain

Relationships and Related Transactions” of our 2008 10-K, and 100% of PMI Guaranty, Inc., which conducted some business competitive with the business of RAM Re in 2007.

- Former directors Daniel C. Lukas and Steven S. Skalicky, who resigned during the course of fiscal year 2007, were officers of shareholders of RAM Holdings.
- Mr. Boyle retired in 2005 as Vice Chairman of Ambac Assurance Corporation, one of our customers, and owns less than 1% of the shares of Ambac.

In addition, certain directors and nominees own, directly or indirectly, a de minimis amount of shares in certain customers and other entities which may be deemed related parties, or may own shares of such entities without their knowledge through investment funds. In each of the above cases, our board of directors considered the relationship disclosed and affirmatively determined that it would not prohibit a determination of independence under the NASDAQ rules and would not, in the opinion of our board of directors, otherwise interfere with the applicable director’s exercise of independent judgment in carrying out his responsibilities as a director.

### Board of Directors Meetings

Our board of directors and its committees held the following number of meetings during the fiscal year ended December 31, 2008:

Board of Directors .....	4
Audit Committee.....	4
Compensation Committee .....	4
Nominating and Corporate Governance Committee .....	3
Risk Management Committee .....	4

Our board of directors generally meets in executive session for part of each regularly scheduled meeting. As a Bermuda company, we hold our board of directors’ meetings outside of the United States, primarily in Bermuda. Each of our directors nominated for election pursuant to this proxy statement attended in person, or by telephone from outside of the United States, at least 75% of the total number of meetings of our board of directors and any committee on which he or she served.

### Board of Directors Committees

We have an audit committee, a compensation committee, a nominating and corporate governance committee, and a risk management committee, all of which consist exclusively of members who we believe would qualify as independent directors under the NASDAQ requirements.

<u>Director</u>	<u>Audit Committee</u>	<u>Compensation Committee</u>	<u>Nominating and Corporate Governance Committee</u>	<u>Risk Management Committee</u>
Edward F. Bader.....	X*	X		
David L. Boyle.....	X			X*
Allan S. Bufferd .....			X*	X
Joseph M. Donovan.....				X
Vernon M. Endo.....				
Lloyd A. Porter .....				
Steven J. Tynan .....	X	X	X	X
Conrad P. Voldstad .....		X*		X

\* Chairman

The composition of any or all committees may change, subject to the results of elections of directors at shareholders’ meetings or for other reasons. Additionally, we may from time to time form other committees as circumstances warrant with such authorities and responsibilities as are delegated by our board.

### *Audit Committee*

The Audit Committee was established to assist our board of directors in its oversight of the integrity of our financial reporting process, the system of internal controls, the audit process, and the performance, qualification and independence of our independent auditors. We believe each member of the Audit Committee is “independent” within the meaning of the NASDAQ rules and Sarbanes Oxley rules and that its Chairman, Edward F. Bader, has the attributes of an “audit committee financial expert” as defined by the Sarbanes Oxley rules. Current members of the Audit Committee are: Edward F. Bader (chairman), David L. Boyle and Steven J. Tynan.

The Audit Committee met in person four times in 2008. The Audit Committee meets periodically in separate sessions with the management of RAM Holdings and with the independent auditors. The duties and responsibilities of the Audit Committee are set forth in the committee’s charter, a copy of which is available on our website at [www.ramre.com](http://www.ramre.com) by first clicking “Investor Information” and then “Corporate Governance”, and include to:

- recommend, through our board of directors, to the shareholders the appointment and termination (subject to Bermuda law) of our independent auditors;
- review and approve the independent auditors’ proposed audit scope, approach, staffing and, subject to our shareholders authorizing our board of directors acting by the audit committee, fees;
- pre-approve all audit and, unless applicable law permits otherwise, permitted non-audit services to be performed by the independent auditors;
- meet periodically with our management, our internal auditors and the independent auditors in separate executive sessions;
- review the adequacy of our internal control structure;
- review any proposed public disclosures regarding an assessment or evaluation of our internal controls and procedures for financial reporting every quarter;
- review and discuss with management and the independent auditors, our annual audited financial statements and Management’s Discussion and Analysis of Financial Condition and Results of Operations;
- discuss with management our earnings press releases, including the use of “pro forma” or “adjusted” non-U.S. GAAP information, as well as financial information and earnings guidance provided to analysts and rating agencies;
- discuss with management and the independent auditors significant financial reporting issues and judgments made in connection with the preparation of our financial statements, including any significant changes in our selection or application of accounting principles (which shall be communicated to the committee by our chief financial officer as soon as reasonably practicable), the selection and disclosure of critical accounting estimates, and the effect of alternative assumptions, estimates or accounting principles on our financial statements; and
- review and approve procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters and for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

### *Compensation Committee*

The Compensation Committee was established to discharge our board of directors’ responsibilities relating to compensation of our most highly-compensated employees. We believe each member of the Compensation Committee is “independent” within the meaning of the NASDAQ rules. Current members of the compensation committee are: Conrad P. Voldstad (Chairman), Edward F. Bader and Steven J. Tynan.

The duties and responsibilities of the Compensation Committee are set forth in the committee’s charter, a copy of which is available on our website at [www.ramre.com](http://www.ramre.com) by first clicking “Investor Information” and then “Corporate Governance”, and include to:



- establish and oversee our executive compensation policies, including issues relating to pay and performance, targeted pay positioning (median, percentile, etc.), comparison companies, pay mix, and share ownership;
- establish a formal evaluation process for, and determine the compensation for, the Chief Executive Officer and as part of such process, to review and approve corporate goals and objectives relevant to Chief Executive Officer compensation and evaluate the Chief Executive Officer's performance in light of those goals and objectives;
- review recommendations from our Chief Executive Officer regarding the compensation of our other senior officers and determine appropriate compensation levels;
- make recommendations to our board of directors with respect to new incentive and benefit plans, or amendments to any such existing plans, other than plans covering solely outside directors; and
- make recommendations to our board of directors with respect to awards under incentive compensation and equity-based plans, including amendments to the awards made under any such plans.

The Compensation Committee has sole discretion to determine, or recommend to our board of directors as above, the compensation program for our most highly compensated executive officers. Under the Compensation Committee's charter, it is not entitled to sub-delegate any or all of the powers and authority delegated to it.

The Compensation Committee met four times in 2008. The agenda for meetings of the Compensation Committee is determined by its Chairman with the assistance of the Secretary of RAM Holdings. Our executives are not present during the portions of the Compensation Committee meetings in which their compensation is determined. The Compensation Committee reports the committee's recommendations on compensation to our board of directors.

Generally, our Chief Executive Officer recommends to the Compensation Committee compensation packages for new hires, annual salary increases, incentive compensation performance measures, amounts of long-term compensation to be granted on an annual basis and other matters related to executive compensation. The Compensation Committee reviews and evaluates the recommendations made by our Chief Executive Officer. The Compensation Committee also reviews and evaluates the performance of our executive officers, including the Chief Executive Officer, in determining their compensation.

Our Compensation Committee's policy with respect to the timing of stock option grants is set forth in our 2008 10-K under Part III, Item 11 "Executive Compensation—Compensation Discussion and Analysis".

#### *Nominating and Corporate Governance Committee*

The Nominating and Corporate Governance Committee was established by our board of directors to assist it in (1) identifying individuals qualified to become board of directors members, and recommending to the board of directors director nominees for the next annual general meeting of shareholders or to fill vacancies; and (2) developing and recommending to the board of directors appropriate corporate governance guidelines. We believe each member of the Nominating and Corporate Governance Committee is "independent" within the meaning of the NASDAQ rules. Current members of the Nominating and Corporate Governance Committee are: Allan S. Bufferd (chairman) and Steven J. Tynan.

The duties and responsibilities of the Nominating and Corporate Governance Committee are set forth in the committee's charter, a copy of which is available on our website at [www.ramre.com](http://www.ramre.com) by first clicking "Investor Information" and then "Corporate Governance", and include to:

- develop qualification criteria for board of directors members, and actively seek, interview and screen individuals qualified to become board of directors members for recommendation to the board of directors in accordance with our Corporate Governance Guidelines;
- recommend to the board of directors potential nominees to the board of directors, and the renomination of incumbent directors as appropriate;



- consider potential nominees recommended by shareholders;
- review the compensation of directors and make recommendations to the board of directors on any recommended changes;
- review the directors who are members (including qualifications and requirements), structure (including authority to delegate) and performance, of committees of the board of directors (including reporting to the board of directors), and make recommendations to the board of directors, as appropriate;
- review the qualification of directors as “independent” within the meaning of SEC and NASDAQ rules;
- prepare and assist the board of directors and each committee thereof in its self-evaluation to determine whether the board of directors and such committees are functioning effectively;
- serve in an advisory capacity to the board of directors and Chairman of the board of directors on matters of our organizational and governance structure and the conduct of the board of directors;
- review and reassess the adequacy of our Corporate Governance Guidelines and recommend any proposed changes thereto; and
- oversee the board of directors self-evaluation process.

Our Nominating and Corporate Governance Committee has established the following general qualifications that the committee believes are necessary for director candidates as set forth in the charter of the Nominating and Corporate Governance Committee:

- highest standards of personal character, conduct and integrity;
- experience in a position of leadership and substantial accomplishment in his or her field of endeavor, which may include business, government, not-for-profit or academia;
- an understanding of the interests of the shareholders, customers, suppliers and employees of RAM Re, as well as an understanding of the business environment in which it operates, and the intention and ability to act in its interests;
- an ability to understand and exercise sound judgment on issues affecting the company; and
- a willingness and ability to devote the time and effort required to serve effectively on our board of directors, including preparation for and attendance at board and committee meetings.

Our Nominating and Corporate Governance Committee has not established specific minimum age, education, years of business experience or specific types of skills for potential director candidates. In general, our Nominating and Corporate Governance Committee believes that RAM Holdings benefits from having directors who represent a diversity of experience that is relevant to RAM Holdings’ operation and governance, and who will be “independent” under the NASDAQ rules. For example, current independent directors have backgrounds in financial guaranty insurance, risk management, the derivatives market, structured finance and institutional portfolio management, among other areas. In seeking new nominees, the Nominating and Corporate Governance Committee has generally engaged a search firm and provided that firm with a specific mandate. By engaging a search firm, the committee believes it is more likely to see a broad range of candidates who will be independent and not have any pre-existing relationship with the company or its management. One director was appointed during 2008 to fill vacancy: Mr. Porter. Two directors were appointed during 2009 to fill vacancies: Mr. Brunetti and Ms. Victoria W. Guest. Our Nominating and Corporate Governance Committee intends to periodically assess the qualifications for director candidates in accordance with its charter.

Each director candidate identified by the Nominating and Corporate Governance Committee is interviewed by several members of our board of directors, and is required to undergo a background check and complete a “D & O Questionnaire” designed to elicit the information required to determine independence. All new directors visit our offices in Bermuda for orientation and training.

Several of our directors are officers of our pre-initial public offering shareholders. Although these shareholders currently no longer have a contractual right to representation on our board of directors, by virtue of their right to use cumulative voting, these shareholders effectively have the

power to elect specific directors. However, if shareholders approve the amendment to RAM Holdings' Bye-Laws, as contemplated by Proposal 1, and the amendment to RAM Re's Bye-Laws, as contemplated by Proposal 5, at the Annual General Meeting, in the event of a voting cutback that results in the loss of PMI's ability to designate a director through cumulative voting, PMI will be allowed to appoint one director to the board of directors of RAM Holdings and RAM Re so long as it continues to hold at least 8.3% of the then outstanding common shares, and subject to limited exceptions, this right may be assumed by a purchaser of a number of PMI shares equal to at least the lesser of 5,270,034 or 20% of the then outstanding common shares, subject to limited exceptions. Since our initial public offering, our Nominating and Corporate Governance Committee has reviewed five director candidates nominated by our shareholder, PMI, Messrs. Mark Milner, Michael Normile, Bradley Shuster, Lloyd Porter, and Christopher Brunetti and evaluated their respective candidacies in substantially the same manner as any other director candidate, as described above.

#### *Risk Management Committee*

The Risk Management Committee was established by the board of directors of RAM Re to assist the board of directors in overseeing the underwriting, risk management and portfolio management process of RAM Re. We believe each member of the Risk Management Committee would be "independent" within the meaning of the NASDAQ rules. Current members of the Risk Management Committee are: David L. Boyle (Chairman), Allan S. Bufferd, Joseph M. Donovan, Steven J. Tynan and Conrad P. Voldstad. In addition, Vernon M. Endo is an ex-officio and a non-voting member of the Risk Management Committee.

The duties and responsibilities of the Risk Management Committee are set forth in the committee's charter, a copy of which is available on our website at [www.ramre.com](http://www.ramre.com) by first clicking "Investor Information" and then "Corporate Governance", and include to:

- review and approve any material changes to the underwriting authority delegated to the credit committee comprised of RAM Re executive officers;
- review and approve any material changes to our underwriting guidelines;
- oversee the underwriting process through the receipt of periodic reports in order to assure general compliance with the underwriting guidelines;
- review portfolio qualitative analyses and sectoral qualitative analyses to assess overall insurance portfolio characteristics and performance;
- monitor risk-based capital adequacy measures and trends over time;
- review surveillance activities with particular focus on the Watch List and reserve level adequacy;
- review market risk measures and management;
- review emerging regulatory, market, accounting and other trends or developments with significant risk implications;
- approve facultative and quota share treaties with material customers and retrocessional agreements;
- review and approve any material changes to the investment authority delegated to the management committee comprised of RAM Re executive officers;
- review and approve any material changes to the investment policy and guidelines;
- oversee the investment process through the selection of asset managers and the receipt of periodic reports from the Company's asset manager in order to assure general compliance with the investment policy and guidelines; and
- review the investment portfolio composition and performance.

### **Director Attendance at Annual Meetings**

Each director of the Company is expected to be present at annual meetings of shareholders, absent exigent circumstances that prevent attendance. All of our then incumbent directors were present in person or by telephone at the 2008 annual general meeting of shareholders.

### **Director Compensation**

For information regarding our compensation of our directors, please refer to Part III, Item 11 “Executive Compensation—Director Compensation” of our 2008 10-K, which is included as part of our 2008 Annual Report delivered herewith.

### **Shareholder Nomination of Directors**

It is the policy of our Nominating and Corporate Governance Committee that shareholders may suggest director candidates for consideration by the Nominating and Corporate Governance Committee by writing to the committee care of the Secretary, RAM Holdings, RAM Re House, 46 Reid Street, Hamilton HM 12 Bermuda. The Nominating and Corporate Governance Committee evaluates all director candidates in the same manner and in accordance with the same criteria, regardless of whether they are nominated by shareholders or identified by the committee. The minimum qualifications for director candidates are set forth in the Charter of the Nominating and Corporate Governance Committee, and above under “Nominating and Corporate Governance Committee”.

If a shareholder wishes to propose a director candidate for nomination at the annual general meeting, then the shareholder must comply with the procedures set forth in the Company’s Bye-Laws and Bermuda law, as summarized below under “Additional Information—Shareholder Proposals”.

### **Shareholder and Other Communications to the Directors**

The members of our board of directors have instructed the Secretary to initially review all communications directed to them. Communications that are not relevant to the duties and responsibilities of the board, such as spam, junk mail and advertisements, are not reported to the board.

Any communications related to RAM Holdings’ accounting, internal accounting controls or auditing matters will be referred promptly to the Chairman of the Audit Committee. Any allegations pertaining to a serious accounting infraction involving senior managers of the Company or any other potentially material complaint would then be investigated as directed by the Audit Committee and the results of such investigation would be reported to the board.

All other communications received by the Secretary will be forwarded promptly to the specific board committee or director(s) to whom it is addressed or otherwise to the non-management directors as a group.

Shareholders and other interested parties who wish to communicate with the RAM Holdings directors may do so anonymously or confidentially, and should direct correspondence to a particular director or committee, or to the directors as a group, by e-mail at [info@ramre.com](mailto:info@ramre.com) or by regular mail to the Secretary, RAM Holdings, RAM Re House, 46 Reid Street, Hamilton HM 12 Bermuda.

### **Transactions with Related Persons, Promoters and Certain Control Persons**

For information regarding certain related party transactions, please refer to Part III, Item 13 “Certain Relationships and Related Transactions” of our 2008 10-K, which is included as part of our 2008 Annual Report delivered herewith.

### **Compensation Committee Interlocks and Insider Participation**

For information regarding compensation committee interlocks, please refer to Part III, Item 11 “Executive Compensation—Compensation Committee Interlocks and Insider Participation” of our 2008 10-K, which is included as part of our 2008 Annual Report delivered herewith.

### **Code of Conduct**

Our Code of Conduct, which is our code of ethics applicable to all directors and employees, embodies our principles and practices relating to the ethical conduct of our business and our commitment to honesty, fair dealing and full compliance with all laws affecting our business. The Code of Conduct is available at [www.ramre.com](http://www.ramre.com) by first clicking “Investor Information” and then “Corporate Governance”. To anonymously and confidentially report a suspected or actual violation of the Code of Conduct, a shareholder or any other party may follow the procedures set forth above under “Shareholders and Other Communications to Directors.”

### **Report of the Audit Committee**

For information regarding the 2008 report of our Audit Committee, please refer to Part III, Item 10 “Directors, Executive Officers and Corporate Governance—Report of the Audit Committee” of our 2008 10-K, which is included as part of our 2008 Annual Report delivered herewith.

### **Principal Accountant Fees and Services**

For information regarding the fees and services of our principal accountants, please refer to Part III, Item 14 “Principal Accounting Fees and Services” of our 2008 10-K, which is included as part of our 2008 Annual Report delivered herewith.

## **INFORMATION ABOUT OUR EXECUTIVES AND EXECUTIVE COMPENSATION**

### **Executive Biographies**

For biographical information regarding our executive officers, please refer to Part III, Item 10 “Directors, Executive Officers and Corporate Governance—Executive Biographies” of our 2008 10-K, which is included as part of our 2008 Annual Report delivered herewith.

### **Compensation Committee Report**

For information regarding our compensation of our executive officers, including a discussion and analysis of such executive compensation and the 2008 report of our Compensation Committee with respect thereto, please refer to Part III, Item 11 “Executive Compensation” of our 2008 10-K, which is included as part of our 2008 Annual Report delivered herewith.

## **INFORMATION ABOUT THE OWNERS OF OUR COMMON SHARES**

### **Security Ownership of Certain Beneficial Owners, Officers and Directors**

For information regarding the beneficial ownership of our common shares by our officers, directors and certain other beneficial owners as of December 31, 2008, please refer to Part III, Item 12 “Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters” of our 2008 10-K, which is included as part of our 2008 Annual Report delivered herewith.

### **Section 16(a) Beneficial Ownership Reporting Compliance**

For information regarding compliance with the SEC’s beneficial ownership reporting requirements, please refer to Part III, Item 10 “Directors, Executive Officers and Corporate Governance—Section 16(a) Beneficial Ownership Reporting Compliance” of our 2008 10-K, which is included as part of our 2008 Annual Report delivered herewith.

## **PROPOSALS RECOMMENDED BY THE BOARD OF DIRECTORS**

### **PROPOSAL ONE**

#### **RESOLUTION TO AMEND THE BYE-LAWS OF RAM HOLDINGS**

Upon recommendation of the Nominating and Corporate Governance Committee, the board of directors has proposed that the shareholders resolve that the Bye-Laws of RAM Holdings be amended as set out in the Amended Bye-Laws, including so as to (i) reduce the minimum number of directors from eleven (11) to five (5); (ii) reduce the maximum number of directors from fifteen (15) to eleven (11); (iii) allow The PMI Group Inc., PMI Mortgage Insurance Co. or any successor entity, which we collectively refer to as "PMI", to appoint a director to the Board of Directors in the event it cannot elect a director through cumulative voting and provided it owns at least 8.3% of the then outstanding common shares; (iv) enable PMI to fill vacancies relating to the directors it was able to elect through cumulative voting (as well as any replacements of those directors); and (v) enable the PMI rights under the Bye-Laws to be assumed by any purchaser of a number of PMI shares equal to at least the lesser of 5,270,034 or 20% of the then outstanding common shares, subject to limited exceptions.

A marked copy of the RAM Holdings Amended Bye-Laws are attached at Annex A hereof.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" THE BYE-LAWS TO BE AMENDED.**

### **PROPOSAL TWO**

#### **ELECTION OF DIRECTORS OF RAM HOLDINGS**

A. Where the amendment to the Bye-Laws is approved pursuant to Proposal 1, the following resolution shall be proposed:

Upon recommendation of the Nominating and Corporate Governance Committee, the board of directors has proposed that the shareholders resolve that the following five (5) nominees each be elected to serve as a director of RAM Holdings until the next annual general meeting of RAM Holdings or until their respective successors are elected or appointed: (i) Edward F. Bader; (ii) David L. Boyle; (iii) Steven J. Tynan; (iv) Conrad P. Voldstad; and (v) Lloyd A. Porter.

B. Where the amendment to the Bye-Laws pursuant to Proposal 1 is not approved, the following resolution shall be proposed:

Upon recommendation of the Nominating and Corporate Governance Committee, the board of directors has proposed that the shareholders resolve that the following eleven (11) nominees each be elected to serve as a director of RAM Holdings until the next annual general meeting of RAM Holdings or until their respective successors are elected or appointed: (i) Edward F. Bader; (ii) David L. Boyle; (iii) Christopher G. Brunetti; (iv) Allan S. Bufferd; (v) Joseph M. Donovan; (vi) Vernon M. Endo; (vii) Edward U. Gilpin; (viii) Lloyd A. Porter; (ix) Steven J. Tynan; (x) David K. Steel; and (xi) Conrad P. Voldstad.

Biographical information for each such person is set forth under "Information About Directors, Corporate Governance, Bye-Laws and Director Compensation", above.

If elected, the term of each nominee will expire at our annual general meeting of shareholders in 2010. Our Board of Directors has no reason to believe any nominee will not continue to be a candidate or will not be able to serve as a director of RAM Holdings if elected. In the event that any nominee is unable to serve as a director, the proxy holders named in the accompanying proxy will vote for the election of such substitute nominee(s) as the board of directors may propose.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" THE ELECTION OF EACH OF THE NOMINEES ABOVE.**

**PROPOSAL THREE**  
**RAM HOLDINGS AUDITORS PROPOSAL**

Upon recommendation of the Audit Committee, the board of directors has proposed that the shareholders resolve to (i) appoint PricewaterhouseCoopers, Hamilton, Bermuda to serve as the independent auditors of RAM Holdings for the 2009 fiscal year until RAM Holdings' 2010 annual general meeting, and (ii) authorize the directors of RAM Holdings, acting by the Audit Committee, to determine the independent auditors' fee (referred to as the "RAM Holdings Auditors Proposal").

PricewaterhouseCoopers, Hamilton, Bermuda served as the independent auditors of RAM Holdings for the 2008 fiscal year. A representative of PricewaterhouseCoopers, Hamilton, Bermuda will attend the Annual Meeting, and will be available to respond to questions and may make a statement if he or she so desires.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" THE RAM HOLDINGS AUDITORS PROPOSAL.**

**PROPOSAL FOUR**  
**PROPOSALS CONCERNING POWER AND AUTHORITY TO ISSUE UNISSUED SHARES**

Upon recommendation of the Nominating and Corporate Governance Committee, the board of directors has proposed that the shareholders resolve to (i) re-affirm the power and authority of the board of directors of RAM Holdings and to the board of directors of RAM Re, the power and authority to issue and allot any and all of the unissued shares (whether more or less than 20% thereof) of RAM Holdings or RAM Re, as applicable, on such terms and conditions as their respective board of directors may determine in its absolute discretion pursuant to the Bye-Laws of RAM Holdings and RAM Re, as applicable; and (ii) grant, by general mandate, to the board of directors of RAM Holdings and to the board of directors of RAM Re, the power and authority to issue and allot any and all of their respective unissued shares (whether more or less than 20% thereof) as applicable, on such terms and conditions as their respective boards of directors may determine in their absolute discretion until the next annual general meeting of RAM Holdings and or RAM Re. (referred to as the "RAM Share Issue Proposal").

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" THE RAM SHARE ISSUE PROPOSAL.**

**THE BOARD OF DIRECTORS RECOMMENDS THAT YOU AUTHORIZE THE COMPANY TO VOTE "FOR" THE RAM SHARE ISSUE PROPOSAL CONCERNING THE RAM HOLDING'S SUBSIDIARY, RAM REINSURANCE COMPANY LTD.**

**PROPOSAL FIVE**  
**PROPOSALS CONCERNING OUR SUBSIDIARY RAM RE**

Pursuant to RAM Holdings' Bye-Laws, with respect to any matter required to be submitted to a vote of the shareholders of RAM Re, RAM Holdings is required to submit a proposal relating to such matters to the shareholders of RAM Holdings and vote all the shares of RAM Re owned by RAM Holdings in accordance with and proportional to such vote of RAM Holdings' shareholders. Accordingly, the shareholders of RAM Holdings are being asked to consider these proposals.

**Proposal 5.1 RAM Re Amendments to Bye-Laws.** Upon recommendation of the Nominating and Corporate Governance Committee, the board of directors has proposed that the shareholders resolve that the Bye-Laws of RAM Re be amended as set out in the amended Bye-Laws so as to (i) reduce the minimum number of directors from eleven (11) to five (5); and (ii) reduce the maximum number of directors from fifteen (15) to eleven (11).

A marked copy of the RAM Re Amended Bye-Laws are attached at Annex B hereof.



**Proposal 5.2 Authorization of Election of Directors of RAM Re.** The composition of the board of directors of RAM Re is the same as that of RAM Holdings. The proposed directors of RAM Re are the same as the proposed directors of RAM Holdings, above.

A. Where the amendment to the Bye-Laws of RAM Holdings is approved pursuant to Proposal 1 and the amendment to the Bye-Laws of RAM Re is approved pursuant to Proposal 5.1, the following resolution shall be proposed:

Upon recommendation of the Nominating and Corporate Governance Committee, the board of directors has proposed that the shareholders resolve that the following five (5) nominees each be elected to serve as a director of RAM Re until the next annual general meeting of RAM Re or until their respective successors are elected or appointed: (i) Edward F. Bader; (ii) David L. Boyle; (iii) Steven J. Tynan; (iv) Conrad P. Voldstad; and (v) Lloyd A. Porter.

B. Where the amendment to the Bye-Laws of RAM Holdings pursuant to Proposal 1 is not approved and where the amendment to the Bye-Laws of RAM Re pursuant to Proposal 5.1 is not approved, the following resolution shall be proposed:

Upon recommendation of the Nominating and Corporate Governance Committee, the board of directors has proposed that the shareholders resolve that the following eleven (11) nominees each be elected to serve as a director of RAM Re until the next annual general meeting of RAM Re or until their respective successors are elected or appointed: (i) Edward F. Bader; (ii) David L. Boyle; (iii) Christopher G. Brunetti; (iv) Allan S. Bufferd; (v) Joseph M. Donovan; (vi) Vernon M. Endo; (vii) Edward U. Gilpin; (viii) Lloyd A. Porter; (ix) Steven J. Tynan; (x) David K. Steel; and (xi) Conrad P. Voldstad.

Biographical information for each such person is set forth in “Information About Directors, Corporate Governance, Bye-Laws and Director Compensation”, above.

If elected, the term of each nominee will expire at RAM Re’s 2010 annual general meeting. The board of directors of RAM Holdings has no reason to believe any nominee will not continue to be a candidate or will not be able to serve as a director of RAM Re if elected. In the event that any nominee is unable to serve as a director, the proxy holders named in the accompanying proxy will vote for the election of such substitute nominee(s) as the board of directors of RAM Holdings may propose.

**Proposal 5.3 RAM Re Auditors.** The board of directors has proposed that the shareholders authorize the appointment of PricewaterhouseCoopers, Hamilton, Bermuda to serve as the independent auditors of RAM Re for the 2009 fiscal year until RAM Re’s 2010 annual general meeting, and that the shareholders authorize the directors of RAM Re, acting by the Audit Committee, to determine the independent auditors’ fees. PricewaterhouseCoopers, Hamilton, Bermuda served as the independent auditors of RAM Re for the 2008 fiscal year.

**THE BOARD OF DIRECTORS RECOMMENDS THAT YOU AUTHORIZE THE COMPANY TO VOTE “FOR” EACH OF THE PROPOSALS CONCERNING THE COMPANY’S SUBSIDIARY, RAM REINSURANCE COMPANY LTD.**

#### **ADDITIONAL INFORMATION**

##### **Other Action at the Meeting**

A copy of our Annual Report to shareholders for the year ended December 31, 2008, including financial statements for the year ended December 31, 2008 and the auditors’ report thereon, is being mailed to all shareholders with this proxy statement. The Annual Report and RAM Re’s Statutory Financial Statements’ will be presented and discussed at the Annual Meeting.

As of the date of this Proxy Statement, we have no knowledge of any business, other than described herein and customary procedural matters, which will be presented for consideration at the Annual Meeting. In the event any other business is properly presented at the Annual Meeting, it is intended that the persons named in the accompanying form of proxy will have authority to vote such proxy in accordance with their discretion on such business.

## **Shareholder Proposals**

Shareholder proposals must be received in writing by the Secretary of RAM Holdings and must comply with the requirements of our Bye-Laws in order to be considered for inclusion in our Proxy Statement and form of Proxy relating to such meeting. We believe that shareholder proposals received by 10 July, 2010 would be considered timely for inclusion in the 2010 Proxy Statement. Such proposals should be directed to the attention of the Secretary, RAM Holdings Ltd., RAM Re House, 46 Reid Street, Hamilton, HM 12, Bermuda or Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda. Any such proposal must include: (i) the names and addresses of the shareholders who intend to make the proposal, (ii) a representation that such shareholders are holders of record of shares entitled to vote at such meeting and intend to appear in person or by proxy at the meeting to present the proposal, and (iii) the class and number of shares which are beneficially owned by such shareholders. Our Bye-Laws also set forth procedures to have a proposal brought before a general meeting, whether or not it is included in our proxy statement. Notice of any such proposal also must be received by us as set forth above by 10 July, 2010 and must include the information specified in our Bye-Laws.

Shareholders who intend to nominate persons for election as directors at our annual general meeting of RAM Holdings must comply with the advance notice procedures and other provisions set forth in the Bye-Laws of RAM Holdings in order for such nominations to be properly brought before the meeting. In addition, the Nominating and Corporate Governance Committee considers nominees to our board of directors recommended by shareholders. Notice of the intention to propose any person for election as a director and of his or her willingness to serve as a director must be given to RAM Holdings by 10 August, 2010. Any such notice shall also include: (a) as to the individual whom such shareholder proposes to nominate for election as a director: (i) the name, age, business address and residence address of such individual, (ii) the principal occupation or employment of such individual, and (iii) the class and number of shares which are beneficially owned by such individual; and (b) as to the shareholder giving the notice: (i) the name and address, as they appear on the register of shareholders, of such shareholder, (ii) the class and number of shares which are beneficially owned by such shareholder and (iii) the period of time such shares have been owned.

If a shareholder proposal is introduced at the 2010 annual general meeting of shareholders that is not discussed in the 2010 Proxy Statement, then proxies received by RAM Holdings for the 2010 annual general meeting of shareholders will be voted by the persons named as such proxies in their discretion with respect to such proposal.

Additionally, under Bermuda law, shareholders holding not less than five percent of the total voting rights or 100 or more shareholders together may require us to give notice to our shareholders of a proposal to be submitted at an annual general meeting. Generally, notice of such a proposal must be received by us at our registered office in Bermuda (located at RAM Re House, 46 Reid Street, Hamilton, HM 12, Bermuda) not less than six weeks before the date of the meeting and must otherwise comply with the requirements of Bermuda Law.

We recommend that any shareholder desiring to make a nomination or submit a proposal for consideration obtain a copy of our Bye-Laws. They are available free of charge by submitting a written request to the Secretary at our principal executive offices.

## **Costs of Solicitation**

The cost of this proxy solicitation will be borne by RAM Holdings and we have retained Mellon Investor Services to assist in the solicitation of proxies. We expect to pay the firm a fee of \$6,500 plus expenses. In addition to solicitation by mail, officers, directors and employees of RAM Holdings may solicit proxies by telephone, facsimile or in person, although no compensation will be paid for such solicitation. RAM Holdings may also request banks and brokers to solicit their customers who have a beneficial interest in our common shares registered in the names of nominees and will reimburse such banks and brokers for their reasonable out-of-pocket expenses.

**Annex A**

~~**ADOPTED EFFECTIVE**~~  
~~**1 MAY 2006**~~  
~~**AS AMENDED ON**~~  
~~**2 MAY 2008**~~  
~~**AS AMENDED ON**~~  
**AMENDED AND RESTATED**  
**BYE-LAWS OF**

**RAM Holdings Ltd.**

## TABLE OF CONTENTS

### **Interpretation**

1. Definitions

### **Shares**

2. Power to Issue Shares
3. Power of the Company to Purchase its Shares
4. Rights Attaching to Shares
5. Calls on Shares
6. Prohibition on Financial Assistance
7. Forfeiture of Shares
8. Share Certificates
9. Fractional Shares

### **Registration of Shares**

10. Register of Members
11. Registered Holder Absolute Owner
12. Transfer of Registered Shares
13. Restrictions on Transfer
14. Transmission of Registered Shares

### **Alteration of Share Capital**

15. Power to Alter Capital
16. Variation of Rights Attaching to Shares

### **Dividends and Capitalisation**

17. Dividends
18. Power to Set Aside Profits
19. Method of Payment
20. Capitalisation

### **Meetings of Members**

21. Annual General Meetings
22. Special General Meetings
23. Requisitioned General Meetings and Member Proposals
24. Notice
25. Giving Notice
26. Postponement of General Meeting
27. Attendance and Security at General Meetings
28. Quorum at General Meetings
29. Chairman to Preside
30. Voting on Resolutions
31. Voting by Poll
32. Voting by Joint Holders of Shares
33. Instrument of Proxy

34. Representation of Corporate Member
35. Adjournment of General Meeting
36. Written Resolutions
37. Directors Attendance at General Meetings

### **Voting Limitations; Provision of Information; Certain subsidiaries**

38. Adjustment of Voting Power
39. Provision of Certain Information
40. Certain Subsidiaries

### **Directors and Officers**

41. Election of Directors
42. Term of Office of Directors
43. Alternate Directors
44. Removal of Directors
45. Vacancy in the Office of Director
46. Remuneration of Directors
47. Defect in Appointment of Director
48. Directors to Manage Business
49. Powers of the Board of Directors
50. Register of Directors and Officers
51. Officers
52. Appointment of Officers
53. Duties of Officers
54. Remuneration of Officers
55. Conflicts of Interest
56. Indemnification and Exculpation of Directors and Officers
- 56A. Waiver of Claim by the Company and Members

### **Meetings of the Board of Directors**

57. Board Meetings
58. Notice of Board Meetings
59. Electronic participation in Meetings
60. Quorum at Board Meetings
61. Board to Continue in the Event of Vacancy
62. Chairman to Preside
63. Written Resolutions
64. Validity of Prior Acts of the Board

### **Corporate Records**

65. Minutes
66. Place Where Corporate Records Kept
67. Form and Use of Seal
68. Member Access to Records

### **Accounts**

69. Books of Account
70. Financial Year End

### **Audits**

71. Annual Audit
72. Appointment of Auditors
73. Remuneration of Auditors
74. Duties of Auditors
75. Access to Records
76. Financial Statements
77. Distribution of Auditors Report
78. Vacancy in the Office of Auditor

### **Business Combinations**

79. Business Combinations

### **Voluntary Winding-Up and Dissolution**

80. Winding-Up

### **Changes to Constitution**

81. Changes to Bye-laws
82. Discontinuance

## INTERPRETATION

### 1. Definitions

**1.1** In these Bye-laws, the following words and expressions shall, where not inconsistent with the context, have the following meanings, respectively:

Act	the Companies Act 1981 as amended from time to time;
Affiliate	as ascribed to such term in Rule 12b-2 of the United States Securities Exchange Act of 1934, as amended;
Alternate Director	an alternate director appointed in accordance with these Bye-laws;
<u>Applicable Number</u>	<u>any number of Common Shares as is equal to or greater than 8.3% of the then outstanding Common Shares;</u>
Attribution Percentage	with respect to a Member, the percentage of the Member's shares that are treated as Controlled Shares of a Tentative 9.9% U.S. Member or a Tentative 24.5% U.S. Member;
Auditor	includes an individual or partnership;
Board	the board of directors appointed or elected pursuant to these Bye-laws and acting by resolution in accordance with the Act and these Bye-laws or the directors present at a meeting of directors at which there is a quorum;
Business Combination	shall have the meaning ascribed to such term in Bye-law 79.3;
Cause	means willful misconduct, fraud, gross negligence, embezzlement or any criminal conduct, or the failure to comply with the rules of the New York Stock Exchange or any other securities exchange or system on which any shares of the Company may be listed or otherwise authorised for trading from time to time including, without limitation, any best practice or corporate governance guidelines prescribed or recommended by such exchange or system, or an independent Director ceasing to be independent;
Code	the United States Internal Revenue Code of 1986, as amended, or any United States federal statute then in effect that has replaced such statute and a reference to a particular section thereof shall be deemed to include a reference to the comparable section, if any, of any such replacement of the United States federal statute;
Common Shares	shall have the meaning ascribed to such term in Bye-law 4.1;
Company	the company for which these Bye-laws are approved and confirmed;
Constructive 9.9% U.S Member	a U.S. Person, other than a U.S. Person whose only Controlled Shares are shares that are Controlled Shares of <u>the PMI Member</u> , (i) the Controlled Shares of which constitute more than nine and nine-tenths percent (9.9%) of the voting power of all issued and outstanding shares of the Company <u>(as determined for purposes of Sections 953 and 957 of the Code)</u> and (ii) which does not own shares of the Company directly or indirectly (within the meaning of Section 958(a)(2) of the Code);

Controlled Shares	in reference to any person, all Shares that such person owns or is deemed to own directly, indirectly (within the meaning of section 958(a)(2) of the Code) or constructively (within the meaning of section 958(b) of the Code), in each case also within the meaning of Treasury Regulations promulgated thereunder and under section 957 of the Code);
Director	a director of the Company, which, unless expressly stated to the contrary for a particular Bye-law provision, shall include an Alternate Director <u>and includes the PMI Director and any PMI Designated Director;</u>
Exchange	any securities exchange or other system on which any shares of the Company may be listed or otherwise authorised for trading from time to time, including, as may be applicable, The New York Stock Exchange and The Nasdaq National Market;
Group	the Company and every company and other entity which is for the time being controlled by or under common control with the Company (for these purposes, “control” means the power, directly or indirectly, to direct management or policies of the person in question, whether by means of an ownership interest or otherwise);
Indirect	when referring to a holder of shares, means ownership of shares within the meaning of section 958(a)(2) of the Code and Treasury Regulations promulgated thereunder;
Member	each person registered in the Register of Members as the holder of shares in the Company and, when two or more persons are so registered as joint holders of shares, means the person whose name stands first in the Register of Members as one of such joint holders or all of such persons, as the context so requires <u>and includes the PMI Member;</u>
<u>Minimum Transfer Number</u>	<u>a number of Common Shares equal to the lesser of (x) 5,270,034 Common Shares (as adjusted for stock splits, stock dividends and the like) and (y) 20% of the then outstanding Common Shares;</u>
Notice	written notice as further provided in these Bye-laws unless otherwise specifically stated;
Officer	any person appointed by the Board to hold an office in the Company;
PMI	PMI Mortgage Insurance Co., or The PMI Group, Inc. or any successor entity or any of them;
<u>PMI Shares</u>	<u>Common Shares held directly or indirectly by PMI;</u>
<u>PMI Designated Director</u>	<u>Shall have the meaning ascribed to such term in Bye-law 45.1;</u>
<u>PMI Director</u>	<u>shall have the meaning ascribed to such term in Bye-law 41.2 and shall include a Director appointed in accordance with Bye-law 44.4;</u>
<u>PMI Member</u>	<u>PMI or, following the transfer to the PMI Purchaser of a number of PMI Shares equal to or greater than the Minimum Transfer Number, the PMI Purchaser, if any;</u>
<u>PMI Purchaser</u>	<u>any person (other than a Prohibited Assignee) that acquires from PMI a number of PMI Shares equal to or greater than the Minimum Transfer Number, or any successor entity of such person;</u>



Preference Shares	shall have the meaning ascribed to such term in Bye-law 4.1;
<u>Prohibited Assignee</u>	<u>any person that, at the time of acquisition of PMI Shares from PMI, (i) has been found guilty of, or to have pled guilty or <i>nolo contendere</i> to, any felony involving moral turpitude under the laws of the United States (including any state thereof) or Bermuda, (ii) is subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of any United States (including any state thereof) or Bermuda regulatory authority permanently barring such person from engaging in the insurance or financial services business or (iii) is a “specially designated national” within the definitions set forth in the Foreign Assets Control Regulations of the United States Treasury Department, 31 C.F.R., Subtitle B, Chapter V, as amended;</u>
Register of Directors and Officers	the register of directors and officers referred to in these Bye-laws;
Register of Members	the register of Members referred to in these Bye-laws;
Resident Representative	any person appointed to act as resident representative and includes any deputy or assistant resident representative;
Secretary	the person appointed to perform any or all of the duties of secretary of the Company and includes any deputy, assistant or acting secretary;
Tentative 9.9% U.S. Member	a U.S. Person that, but for any adjustments or eliminations of voting power of any shares pursuant to Bye-laws 38 and 39.1, would be a 9.9% U.S. Member;
Tentative 24.5% U.S. Member	a U.S. Person that, but for any adjustments or eliminations of voting power of any shares pursuant to Bye-laws 38 and 39.1, would be a 24.5% U.S. Member;
Treasury Share	a share of the Company that was or is treated as having been acquired and held by the Company and has been held continuously by the Company since it was so acquired and has not been cancelled.
United States	the United States of America and dependent territories or any part thereof;
U.S. Person	(i) an individual who is a citizen or resident of the United States, (ii) a corporation or partnership that is, as to the United States, a domestic corporation or partnership, (iii) an estate that is subject to United States federal income tax on its income, regardless of its source, or (iv) a “U.S. Trust;” a U.S. Trust is any trust (A) if and only if (i) a court within the United States is able to exercise primary supervision over the administration of the trust, and (ii) one or more U.S. trustees have the authority to control all substantial decisions of the trust or (B) that has otherwise validly elected to be treated as a domestic trust under applicable U.S. Treasury regulations;

- 9.9% U.S. Member a U.S. Person, other than the PMI Member or any other U.S. Person whose only Controlled Shares are shares that are Controlled Shares of the PMI Member, the Controlled Shares of which constitute more than nine and nine-tenths percent (9.9%) of the voting power of all issued and outstanding shares of the Company (as determined for purposes of Sections 953 and 957 of the Code) and who generally would be required to recognize income with respect to the Company under section 951(a)(1) of the Code, if the Company were a controlled foreign corporation as defined in section 957 of the Code and if the ownership threshold under section 951(b) of the Code were 9.9%; and
- 24.5% U.S. Member a U.S. Person the Controlled Shares of which constitute (i) more than nine and nine-tenths percent (9.9%) of the voting power of all the issued and outstanding shares of the Company (as determined for purposes of Sections 953 and 957 of the Code), and (ii) twenty four and one-half percent (24.5%) or more of either the voting power or the value of all issued and outstanding shares of the Company (as determined for purposes of Sections 953 and 957 of the Code) and who generally would be required to recognize income with respect to the Company under section 951(a)(1) of the Code, if the Company were a controlled foreign corporation as defined in section 957 of the Code and if the ownership threshold under section 951(b) of the Code were 9.9%.

- 1.2** In these Bye-laws, where not inconsistent with the context:
- (a) words denoting the plural number include the singular number and vice versa;
  - (b) words denoting the masculine gender include the feminine and neuter genders;
  - (c) words importing persons include individuals, companies, associations, partnerships, firms or bodies of persons whether corporate or not;
  - (d) the words:-
    - (i) “may” shall be construed as permissive; and
    - (ii) “shall” shall be construed as imperative; and
  - (e) unless otherwise provided herein, words or expressions defined in the Act shall bear the same meaning in these Bye-laws.
- 1.3** In these Bye-laws expressions referring to writing or its cognates shall, unless the contrary intention appears, include facsimile, printing, lithography, photography, electronic mail and other modes of representing words in visible form.
- 1.4** Headings used in these Bye-laws are for convenience only and are not to be used or relied upon in the construction hereof.

## **SHARES**

### **2. Power to Issue Shares**

- 2.1** Subject to these Bye-laws and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, the Board shall have the power to issue any unissued shares of the Company on such terms and conditions, and with such rights and restrictions, as it may determine.
- 2.2** Without limitation to the provisions of Bye-law 4, subject to the provisions of the Act, any preference shares may be issued or converted into shares that (at a determinable

date or at the option of the Company or the holder) are liable to be redeemed on such terms and in such manner as may be determined by the Board (before the issue or conversion).

- 2.3** Notwithstanding the foregoing or any other provision of these Bye-laws, the Company may not issue any shares or grant options or warrants in a manner that the Board determines may result in a non-de minimis adverse tax, legal or regulatory consequence to the Company, any of its subsidiaries or any direct or Indirect holder of shares or its Affiliates. Notwithstanding the foregoing provisions of this Bye-law, the restrictions of this Bye-law 2.3 shall not apply to any issuance of shares to a person acting as an underwriter in the ordinary course of its business, purchasing such shares, pursuant to a purchase agreement to which the Company is a party, for resale.

### **3. Power of the Company to Purchase its Shares**

The Company may purchase its own shares for cancellation or acquire them as Treasury Shares in accordance with the provisions of the Act on such terms as the Board shall think fit. The Board may exercise all the powers of the Company to purchase or acquire all or any part of its own shares in accordance with the Act; provided, however, that such purchase may not be made if the Board determines that it would result in a non-de minimis adverse tax, legal or regulatory consequence to the Company, any of its subsidiaries or any direct or Indirect holder of shares or its Affiliates.

### **4. Rights Attaching to Shares**

- 4.1** At the date these Bye-laws are adopted, the share capital of the Company comprises two classes (i) the common shares of par value US\$0.10 each (the “Common Shares”); and (ii) the undesignated preference shares of par value US\$0.10 each (the “Preference Shares”). Subject to Bye-law 2.3, the Board is authorised to create, issue and redeem classes, sub-classes and series of shares, including without limitation sub-classes or series of common shares. For the avoidance of doubt, shares carrying no voting rights may be issued.
- 4.2** The holders of Common Shares shall, subject to the provisions of these Bye-laws (including, without limitation, the creation of classes or series of Preference Shares with other rights and restrictions):
- (a) be entitled to one vote per share before giving effect to any adjustments or eliminations of voting power required under Bye-laws 38 or 39.1;
  - (b) be entitled to such dividends as the Board may from time to time declare;
  - (c) in the event of a winding-up or dissolution of the Company, whether voluntary or involuntary or for the purpose of a reorganization or otherwise or upon any distribution of capital, be entitled to the surplus assets of the Company; and
  - (d) generally be entitled to enjoy all of the general rights attaching to shares.
- 4.3** ~~4.3~~ All the rights attaching to a Treasury Share shall be suspended and shall not be exercised by the Company while it holds such Treasury Share and, except where required by the Act, all Treasury Shares shall be excluded from the calculation of any percentage or fraction of the share capital, or shares, of the Company.
- 4.4** Subject to Bye-law 2.3 the Board is authorised to issue any of the Preference Shares, which may be in one or more class or series (any or all of which may be different classes or sub classes of shares), and to establish from time to time the number of shares to be included in each such class or series, and to fix the designation, powers, preferences and rights of the shares of each such class or series and the qualifications,

limitations, or restrictions thereof (and, for the avoidance of doubt, such matters and the issuance of such Preference Shares shall not be deemed to vary the rights attached to the Common Shares). The authority of the Board with respect to a class or series of Preference Shares shall include, but not be limited to, determination of the following:

- (a) the number of shares constituting that class or series and the distinctive designation of that class or series;
- (b) the dividend rate on the shares of that class or series, whether dividends shall be cumulative and, if so, from which date or dates, and the relative rights of priority, if any, of the payment of dividends on shares of that class or series;
- (c) whether that class or series shall have voting rights, in addition to the voting rights provided by law, and if so, the terms of such voting rights;
- (d) whether that class or series shall have conversion or exchange privileges (including, without limitation, conversion into Common Shares), and, if so, the terms and conditions of such conversion or exchange, including provision for adjustment of the conversion or exchange rate in such events as the Board shall determine;
- (e) whether or not the shares of that class or series shall be redeemable or purchasable, and, if so, the terms and conditions of such redemption or purchase, including the manner of selecting shares for redemption or purchase if less than all shares are to be redeemed or purchased, the date or dates upon or after which they shall be redeemable or purchasable, and the amount per share payable in case of redemption or purchase, which amount may vary under different conditions and at different redemption or purchase dates;
- (f) whether that class or series shall have a sinking fund for the redemption or purchase of shares of that class or series, and, if so, the terms and amount of such sinking fund;
- (g) the right of the shares of that class or series to the benefit of conditions and restrictions upon the creation of indebtedness of the Company or any subsidiary, upon the issue of any additional shares (including additional shares of such class or series or any other class or series) and upon the payment of dividends or the making of other distributions on, and the purchase, redemption or other acquisition by the Company or any subsidiary of any issued shares of the Company;
- (h) the rights of the shares of that class or series in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company, and the relative rights of priority, if any, of payment of shares of that class or series;
- (i) any other relative participating, optional or other special rights, qualifications, limitations or restrictions of that class or series; and
- (j) transfer restrictions relating to such class or series of shares.

**4.5** Any Preference Shares which have been redeemed (whether through the operation of a sinking fund or otherwise) or which, if convertible or exchangeable, have been converted into or exchanged for shares of any other class or classes or series shall have the status of authorised and unissued Preference Shares of the same class or series and may be reissued as a part of the class or series of which they were originally a part or may be reclassified and reissued as part of a new class or series of Preference Shares to be created by resolution or resolutions of the Board or as part of any other class or series of Preference Shares, all subject to the conditions and the restrictions on issuance set forth in the resolution or resolutions adopted by the Board providing for the issue of any class or series of Preference Shares.

**4.6** At the discretion of the Board and subject to the provisions of Section 2.3 hereof, whether or not in connection with the issuance and sale of any shares or other securities of the Company, the Company may issue securities, contracts, options,

warrants or other instruments evidencing any shares, option rights, securities having conversion or option rights, or obligations on such terms, conditions and other provisions as are fixed by the Board, including, without limiting the generality of this authority, conditions that preclude or limit any person or persons owning or offering to acquire a specified number or percentage of the outstanding Common Shares, other shares, option rights, securities having conversion or option rights, or obligations of the Company or transferee of the person or persons from exercising, converting, transferring or receiving the shares, option rights, securities having conversion or option rights, or obligations.

## **5. Calls on Shares**

- 5.1** The Board may make such calls as it thinks fit upon the Members in respect of any monies (whether in respect of nominal value or premium) unpaid on the shares allotted to or held by such Members (and not made payable at fixed times by the terms and conditions of issue) and, if a call is not paid on or before the day appointed for payment thereof, the Member may at the discretion of the Board be liable to pay the Company interest on the amount of such call at such rate as the Board may determine, from the date when such call was payable up to the actual date of payment. The Board may differentiate between the holders as to the amount of calls to be paid and the times of payment of such calls.
- 5.2** Any sum which by the terms of allotment of a share becomes payable upon issue or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for all the purposes of these Bye-laws be deemed to be a call duly made and payable, on the date on which, by the terms of issue, the same becomes payable, and in case of non-payment all the relevant provisions of these Bye-laws as to payment of interest, costs, charges and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- 5.3** The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- 5.4** The Company may accept from any Member the whole or a part of the amount remaining unpaid on any shares held by him, although no part of that amount has been called up.

## **6. Prohibition on Financial Assistance**

The Company shall not give, whether directly or indirectly, whether by means of loan, guarantee, provision of security or otherwise, any financial assistance for the purpose of the acquisition or proposed acquisition by any person of any shares in the Company, but nothing in this Bye-law shall prohibit transactions permitted under the Act.

## **7. Forfeiture of Shares**

- 7.1** If any Member fails to pay, on the day appointed for payment thereof, any call in respect of any share allotted to or held by such Member, the Board may, at any time thereafter during such time as the call remains unpaid, direct the Secretary to forward such Member a notice in writing in the form, or as near thereto as circumstances admit, of the following:

**Notice of Liability to Forfeiture for Non-Payment of Call  
RAM Holdings Ltd. (the “Company”)**

You have failed to pay the call of [amount of call] made on the [ ] day of [ ], 20[ ], in respect of the [number] share(s) [number in figures] standing in your name in the Register of Members of the Company, on the [ ] day of [ ], 20[ ], the day appointed for payment of such call. You are hereby notified that unless you pay such call together with interest thereon at the rate of [ ] per annum computed from the said [ ] day of [ ], 20[ ] at the registered office of the Company the share(s) will be liable to be forfeited.

Dated this [ ] day of [ ], 20[ ]

---

[Signature of Secretary] By Order of the Board

- 7.2** If the requirements of such notice are not complied with, any such share may at any time thereafter before the payment of such call and the interest due in respect thereof be forfeited by a resolution of the Board to that effect, and such share shall thereupon become the property of the Company and may be disposed of as the Board shall determine.
- 7.3** A Member whose share or shares have been forfeited as aforesaid shall, notwithstanding such forfeiture, be liable to pay to the Company all calls owing on such share or shares at the time of the forfeiture and all interest due thereon.
- 7.4** The Board may accept the surrender of any shares which it is in a position to consider forfeited on such terms and conditions as may be agreed. Subject to those terms and conditions, a surrendered share shall be treated as if it had been forfeited.

**8. Share Certificates**

- 8.1** Every Member shall be entitled to a certificate under the seal of the Company (or a facsimile thereof) specifying the number and, where appropriate, the class of shares held by such Member and whether the same are fully paid up and, if not, how much has been paid thereon. The Board may by resolution determine, either generally or in a particular case, that any or all signatures on certificates may be printed thereon or affixed by mechanical means. Notwithstanding the provisions of Bye-law 67, the Board may determine that a share or other security certificate need not be signed (for the purposes of attestation of the seal) on behalf of the Company.
- 8.2** The Company shall be under no obligation to complete and deliver a share certificate unless specifically called upon to do so by the person to whom the shares have been allotted.
- 8.3** If any share certificate shall be proved to the satisfaction of the Board to have been worn out, lost, mislaid or destroyed the Board may cause a new certificate to be issued and request an indemnity for such certificate if it sees fit.

**9. Fractional Shares**

The Company may issue its shares in fractional denominations and deal with such fractions to the same extent as its whole shares and shares in fractional denominations shall have in proportion to the respective fractions represented thereby all of the rights of whole shares including (but without limiting the generality of the foregoing) the right to vote, to receive dividends and distributions and to participate in a winding-up.



**REGISTRATION OF SHARES**

**10. Register of Members**

- 10.1** The Board shall cause to be kept in one or more books a Register of Members and shall enter therein the particulars required by the Act.
- 10.2** The Register of Members shall be open to inspection at the registered office of the Company on every business day, subject to such reasonable restrictions as the Board may impose, so that not less than two hours in each business day be allowed for inspection. The Register of Members may, after notice has been given in accordance with the Act, be closed for any time or times not exceeding in the whole thirty days in each year.

**11. Registered Holder Absolute Owner**

The Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not be bound to recognise any equitable claim or other claim to, or interest in, such share on the part of any other person.

**12. Transfer of Registered Shares**

- 12.1** Subject to Bye-law 12.6, an instrument of transfer shall be in writing in the form of the following, or as near thereto as circumstances admit, or in such other form as the Board may accept:

**Transfer of a Share or Shares RAM Holdings Ltd. (the “Company”)**

FOR VALUE RECEIVED.....[amount], I, [name of transferor] hereby sell, assign and transfer unto [transferee] of [address], [number] of shares of the Company.

DATED this [ ] day of [ ], 20[ ]

Signed by:	In the presence of:
_____	_____
Transferor	Witness
_____	_____
Transferee	Witness

- 12.2** Such instrument of transfer shall be signed by or on behalf of the transferor and transferee, provided that, in the case of a fully paid share, the Board may accept the instrument signed by or on behalf of the transferor alone. The transferor shall be deemed to remain the holder of such share until the same has been transferred to the transferee in the Register of Members.
- 12.3** The Board may refuse to recognise any instrument of transfer unless it is accompanied by the certificate in respect of the shares to which it relates and by such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer.
- 12.4** The joint holders of any share may transfer such share to one or more of such joint holders, and the surviving holder or holders of any share previously held by them jointly with a deceased Member may transfer any such share to the executors or administrators of such deceased Member.
- 12.5** The Board may in its absolute discretion and without assigning any reason therefor refuse to register the transfer of a share which is not fully paid. The Board shall refuse to register a transfer unless all applicable consents, authorisations and permissions of any governmental body or agency in Bermuda have been obtained. If the Board refuses to register a transfer of any share the Secretary shall, within three months after

the date on which the transfer was lodged with the Company, send to the transferor and transferee notice of the refusal.

- 12.6** Shares may be transferred without a written instrument if transferred by an appointed agent or otherwise in accordance with the Act.

### **13. Restrictions on Transfer**

- 13.1** The Board may decline to approve or register or permit the registration of any transfer of shares if it appears to the Board, after taking into account the adjustments or eliminations of voting power of any shares pursuant to Bye-laws 38 and 39.1, that any non-de minimis adverse tax, regulatory or legal consequences to the Company, any subsidiary of the Company, or any direct or Indirect holder of shares or its Affiliates would result from such transfer.
- 13.2** The Board shall have the authority to request from any direct or Indirect holder of shares, and such holder shall provide, such information as the Board may reasonably request for the purpose of determining whether any transfer contemplated by Bye-law 13.1 should be permitted. If such information is not provided, the Board may decline to approve or register such transfer.
- 13.3** Subject to any applicable requirements of any Exchange, the Board may decline to approve or to register any transfer of any share if a written opinion from counsel reasonably acceptable to the Company shall not have been obtained to the effect that registration of such transfer under the U.S. Securities Act of 1933, as amended from time to time, is not required.

### **14. Transmission of Registered Shares**

- 14.1** In the case of the death of a Member, the survivor or survivors where the deceased Member was a joint holder, and the legal personal representatives of the deceased Member where the deceased Member was a sole holder, shall be the only persons recognised by the Company as having any title to the deceased Member's interest in the shares. Nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by such deceased Member with other persons. Subject to the provisions of the Act, for the purpose of this Bye-law, legal personal representative means the executor or administrator of a deceased Member or such other person as the Board may, in its absolute discretion, decide as being properly authorised to deal with the shares of a deceased Member.
- 14.2** Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member may be registered as a Member upon such evidence as the Board may deem sufficient or may elect to nominate some person to be registered as a transferee of such share (provided, however, if the Board, after taking into account the adjustments or eliminations of voting power of any shares pursuant to Bye-laws 38 and 39.1, determines that any non-de minimis adverse tax, regulatory or legal consequences to the Company, any subsidiary of the Company, or any direct or Indirect holder of shares or its Affiliates would result from such transfer, the Board may decline to register such person as a Member), and in such case the person becoming entitled shall execute in favour of such nominee an instrument of transfer in writing in the form, or as near thereto as circumstances admit, or such other form acceptable to the Board, of the following:

**Transfer by a Person Becoming Entitled on Death/Bankruptcy of a Member**

**RAM Holdings Ltd. (the “Company”)**

I/We, having become entitled in consequence of the [death/bankruptcy] of [name and address of deceased Member] to [number] share(s) standing in the Register of Members of the Company in the name of the said [name of deceased/bankrupt Member] instead of being registered myself/ourselves, elect to have [name of transferee] (the “Transferee”) registered as a transferee of such share(s) and I/we do hereby accordingly transfer the said share(s) to the Transferee to hold the same unto the Transferee, his or her executors, administrators and assigns, subject to the conditions on which the same were held at the time of the execution hereof; and the Transferee does hereby agree to take the said share(s) subject to the same conditions.

DATED this [ ] day of [ ], 20[ ]

Signed by:

In the presence of:

\_\_\_\_\_  
Transferor

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Transferee

\_\_\_\_\_  
Witness

- 14.3** On the presentation of the foregoing materials to the Board, accompanied by such evidence as the Board may require to prove the title of the transferor, the transferee shall be registered as a Member. Notwithstanding the foregoing, the Board shall, in any case, have the same right to decline or suspend registration as it would have had in the case of a transfer of the share by that Member before such Member’s death or bankruptcy, as the case may be.
- 14.4** Where two or more persons are registered as joint holders of a share or shares, then in the event of the death of any joint holder or holders the remaining joint holder or holders shall be absolutely entitled to the said share or shares and the Company shall recognise no claim in respect of the estate of any joint holder except in the case of the last survivor of such joint holders.

**ALTERATION OF SHARE CAPITAL**

**15. Power to Alter Capital**

- 15.1** In addition to the authority of the Board to create, issue and redeem classes, sub-classes and series of shares as described in these Bye-laws, the Company may increase, divide, consolidate, subdivide, change the currency denomination of, diminish or otherwise alter or reduce its share capital in any manner permitted by and in accordance with the Act and the Board is so authorised to so alter or reduce the Company’s share capital by and in accordance with the Act.
- 15.2** Where, on any alteration or reduction of share capital, fractions of shares or some other difficulty would arise, the Board may deal with or resolve the same in such manner as it thinks fit; provided that in the determination of the Board any such action does not result in, after taking into account the adjustments or eliminations of voting power contained in Bye-laws 38 and 39.1, any non-de minimis adverse tax, regulatory or legal consequences to the Company, any subsidiary of the Company, or any direct or Indirect holder of shares or its Affiliates.

## **16. Variation of Rights Attaching to Shares**

- 16.1** If, at any time, the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound-up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a resolution passed by a majority of the votes cast (subject to any adjustments or eliminations of voting power of any shares pursuant to Bye-laws 38 and 39.1) at a separate general meeting of the holders of the shares of the class. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith or having different restrictions. Further, the rights attaching to any shares shall be deemed not to be altered by the creation or issue of any share ranking in priority for payment of a dividend or in respect of capital or which confer on the holder thereof voting rights more favorable than those conferred by such shares.
- 16.2** The Company shall not vary the rights attaching to any class of shares if the Board, after taking into account the adjustments or limitations of voting power of any shares pursuant to Bye-laws 38 and 39.1, determines that any non-de minimis adverse tax, regulatory or legal consequences to the Company, any subsidiary of the Company, or any direct or Indirect holder of shares or its Affiliates would result from such variation.

## **DIVIDENDS AND CAPITALISATION**

### **17. Dividends**

- 17.1** The Board may, subject to these Bye-laws and in accordance with the Act, declare a dividend to be paid to the Members, in proportion to the number of shares held by them, and such dividend may be paid in cash or wholly or partly in specie in which case the Board may fix the value for distribution in specie of any assets. No unpaid dividend shall bear interest as against the Company unless otherwise expressly provided for.
- 17.2** The Board may fix any date as the record date for determining the Members entitled to receive any dividend.
- 17.3** The Company may pay dividends in proportion to the amount paid up on each share where a larger amount is paid up on some shares than on others.
- 17.4** The Board may declare and make such other distributions (in cash or in specie) to the Members as may be lawfully made out of the assets of the Company. No unpaid distribution shall bear interest as against the Company unless otherwise expressly provided for.

### **18. Power to Set Aside Profits**

The Board may, before declaring a dividend, set aside out of the surplus or profits of the Company, such sum as it thinks proper as a reserve to be used to meet contingencies or for equalising dividends or for any other purpose.

### **19. Method of Payment**

- 19.1** Any dividend or other monies payable in respect of a share may be paid by cheque or warrant sent through the post directed to the registered address of the Members (in the case of joint Members, the senior joint holder, seniority being determined by the order in which the names stand in the Register of Members) or person entitled thereto,

or by direct transfer to such bank account as such Member or person entitled thereto may direct. Every such cheque shall be made payable to the order of the person to whom it is sent or to such persons as the Member may direct, and payment of the cheque or warrant shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby. If two or more persons are registered as joint holders of any shares any one of them can give an effectual receipt for any dividend paid in respect of such shares.

- 19.2** The Board may deduct from the dividends or distributions payable to any Member all monies due from such Member to the Company on account of calls or otherwise.
- 19.3** Any dividend and or other monies payable in respect of a share which has remained unclaimed for six years from the date when it became due for payment shall, if the Board so resolves, be forfeited and cease to remain owing by the Company. The payment of any unclaimed dividend or other moneys payable in respect of a share may (but need not) be paid by the Company into an account separate from the Company's own account. Such payment shall not constitute the Company a trustee in respect thereof.
- 19.4** The Company shall be entitled to cease sending dividend warrants and cheques by post or otherwise to a Member if those instruments have been returned undelivered to, or left uncashed by, that Member on at least two consecutive occasions, or, following one such occasion, reasonable enquiries have failed to establish the Member's new address. The entitlement conferred on the Company by this Bye-law 19.4 in respect of any Member shall cease if the Member claims a dividend or cashes a dividend warrant or cheque.

## **20. Capitalisation**

- 20.1** The Board may resolve to capitalise any sum for the time being standing to the credit of any of the Company's share premium or other reserve accounts or to the credit of the profit and loss account or otherwise available for distribution by applying such sum in paying up unissued shares to be allotted as fully paid bonus shares pro-rata (except in connection with the conversion of shares of one class to shares of another class) to the Members.
- 20.2** The Board may resolve to capitalise any sum for the time being standing to the credit of a reserve account or sums otherwise available for dividend or distribution by applying such amounts in paying up in full partly paid or nil paid shares of those Members who would have been entitled to such sums if they were distributed by way of dividend or distribution.

## **MEETINGS OF MEMBERS**

### **21. Annual General Meetings**

The annual general meeting of the Company shall be held in each year at such time and place as the President or the Chairman or any two Directors or any Director and the Secretary or the Board shall appoint. No annual general meeting shall take place in the United States.

### **22. Special General Meetings**

The President or the Chairman or the Board may convene a special general meeting of the Company whenever in their judgment such a meeting is necessary. No special general meeting shall take place in the United States.

## **23. Requisitioned General Meetings and Member Proposals**

- 23.1** The Board shall, on the requisition of Members holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up share capital of the Company as at the date of the deposit carries the right to vote at general meetings of the Company, forthwith proceed to convene a special general meeting of the Company and the provisions of the Act shall apply.
- 23.2** Subject to any other requirements of applicable law, if a Member desires to submit a proposal for consideration at an annual general meeting or special general meeting, the provisions of the Act shall apply and written notice of such Member's intent to make such a proposal must be given and received by the Secretary at the principal executive offices or registered office of the Company not later than (i) with respect to an annual general meeting of Members, not less than one hundred and twenty (120) calendar days before the anniversary of the date of the Company's proxy statement released to Members in connection with the previous year's annual meeting, and (ii) with respect to a special general meeting, the close of business on the tenth (10th) day following the date on which notice of such meeting is first sent or given to the Members. Each notice shall describe the proposal in sufficient detail for a proposal to be summarized on the agenda for the meeting and shall set forth (i) the name and address, as it appears in the Register of Members, of the Member who intends to make the proposal; (ii) a representation that the Member is a holder of record of shares of the Company entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to present such proposal; and (iii) the class and number of shares of the Company which are beneficially owned by the Member. In addition, the notice shall set forth the reasons for conducting such proposed business at the meeting and any material interest of the Member in such business.
- 23.3** The chairman of the annual general meeting or special general meeting shall, if the facts warrant, refuse to acknowledge a proposal not made in compliance with the foregoing procedure, and shall refuse to acknowledge any matters which are not the subject of a valid notice made by a Member pursuant to Bye-law 23.2, and any such proposal not properly brought before the meeting shall not be considered.

## **24. Notice**

- 24.1** At least 10 days' notice of an annual general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held and that the election of Directors will take place thereat.
- 24.2** At least 10 days' notice of a special general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, time, place and the general nature of the business to be considered at the meeting.
- 24.3** The Board may fix any date as the record date for determining the Members entitled to receive notice of and to vote at any general meeting of the Company.
- 24.4** A general meeting of the Company shall, notwithstanding that it is called on shorter notice than that specified in these Bye-laws, be deemed to have been properly called if it is so agreed by (i) all the Members entitled to attend and vote thereat in the case of an annual general meeting; and (ii) by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the shares giving a right to attend and vote thereat in the case of a special general meeting.
- 24.5** The accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.



## **25. Giving Notice**

- 25.1** A notice may be given by the Company to any Member either by delivering it to such Member in person or by sending it to such Member's address in the Register of Members or to such other address given for the purpose. For the purposes of this Bye-law, a notice may be sent by letter mail, courier service, cable, telex, telecopier, facsimile, electronic mail or other mode of representing words in a legible form.
- 25.2** Any notice required to be given to a Member shall, with respect to any shares held jointly by two or more persons, be given to whichever of such persons is named first in the Register of Members and notice so given shall be sufficient notice to all the holders of such shares.
- 25.3** Save as provided by Bye-law 25.4, any notice shall be deemed to have been served at the time when the same would be delivered in the ordinary course of transmission and, in proving such service, it shall be sufficient to prove that the notice was properly addressed and prepaid, if posted, and the time when it was posted, delivered to the courier or to the cable company or transmitted by telex, facsimile, electronic mail or such other method as the case may be.
- 25.4** Mail notice shall be deemed to have been served seven days after the date on which it is deposited, with postage prepaid, in the mail of any member state of the European Union, the United States or Bermuda.
- 25.5** The Company shall be under no obligation to send a notice or other document to the address shown for any particular Member in the Register of Members if the Board considers that the legal or practical problems under the laws of, or the requirements of any regulatory body or stock exchange in, the territory in which that address is situated are such that it is necessary or expedient not to send the notice or document concerned to such Member at such address and may require a Member with such an address to provide the Company with an alternative acceptable address for delivery of notices by the Company.

## **26. Postponement of General Meeting**

The Chairman or the President may, and the Secretary on instruction from the Chairman or the President shall, postpone or cancel any general meeting called in accordance with the provisions of these Bye-laws (other than a meeting requisitioned under these Bye-laws) provided that notice of postponement or cancellation is given to each Member before the time for such meeting. Fresh notice of the date, time and place for a postponed meeting shall be given to the Members in accordance with the provisions of these Bye-laws.

## **27. Attendance and Security at General Meetings**

- 27.1** Members may participate in any general meeting by such telephonic or electronic means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.
- 27.2** The Board may, and at any general meeting, the chairman of such meeting may, make any arrangement and impose any requirement or restriction it or he considers appropriate to ensure the security of a general meeting including, without limitation, requirements for evidence of identity to be produced by those attending the meeting, the searching of their personal property and the restriction of items that may be taken into the meeting place. The Board and, at any general meeting, the chairman of such meeting are entitled to refuse entry to a person who refuses to comply with any such arrangements, requirements or restrictions.

## **28. Quorum at General Meetings**

- 28.1** At any general meeting of the Company two persons or more present in person at the start of the meeting and representing in person or by proxy shares carrying in excess of 50% of the voting power of all the outstanding shares of the Company (after giving effect to any adjustments or eliminations of voting power of any shares pursuant to Bye-laws 38 and 39.1) throughout the meeting shall form a quorum for the transaction of business.
- 28.2** If within half an hour from the time appointed for the meeting a quorum is not present, then, in the case of a meeting convened on a requisition, the meeting shall be deemed cancelled and, in any other case, the meeting shall stand adjourned to the same day one week later, at the same time and place or to such other day, time or place as the Secretary may determine. If the meeting shall be adjourned to the same day one week later or the Secretary shall determine that the meeting is adjourned to a specific date, time and place, it is not necessary to give notice of the adjourned meeting other than by announcement at the meeting being adjourned. If the Secretary shall determine that the meeting be adjourned to an unspecified date, time or place, fresh notice of the resumption of the meeting shall be given to each Member entitled to attend and vote thereat in accordance with the provisions of these Bye-laws.

## **29. Chairman to Preside**

Unless otherwise agreed by a majority of those attending and entitled to vote thereat, the Chairman, if there be one, and if not the President, shall act as chairman at all meetings of the Members at which such person is present. In their absence, the Deputy Chairman or Vice-President, if present, shall act as chairman and in the absence of all of them a chairman shall be appointed or elected by those present at the meeting and entitled to vote.

## **30. Voting on Resolutions**

- 30.1** Subject to the provisions of the Act and these Bye-laws, any question proposed for the consideration of the Members at any general meeting shall be decided by the affirmative votes of a majority of the votes cast in accordance with the provisions of these Bye-laws after giving effect to any adjustments or eliminations of voting power of any share, pursuant to Bye-laws 38 and 39.1 and in the case of an equality of votes the resolution shall fail.
- 30.2** No Member shall be entitled to vote at a general meeting unless such Member has paid all the calls on all shares held by such Member.
- 30.3** At any general meeting, if an amendment shall be proposed to any resolution under consideration and the chairman of the meeting shall rule on whether the proposed amendment is out of order, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling.
- 30.4** At any general meeting, a declaration by the chairman of the meeting that a question proposed for consideration has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in a book containing the minutes of the proceedings of the Company shall, subject to the provisions of these Bye-laws, be conclusive evidence of that fact.
- 30.5** In the event that a Member participates in a general meeting by telephone or electronic means, the chairman of the meeting shall direct the manner in which such Member may cast his vote on a show of hands.

### **31. Voting by Poll**

- 31.1** At any general meeting, a resolution put to the vote of the meeting or any question proposed for the consideration of the Members shall, in the first instance, be voted upon by poll, subject to any rights or restrictions for the time being lawfully attached to any class or series of shares.
- 31.2** In accordance with Bye-law 31.1, subject to any rights or restrictions for the time being lawfully attached to any class or series of shares, every person present at such meeting shall have one vote for each voting share (subject to any adjustments or eliminations of voting power of any shares pursuant to Bye-laws 38 and 39.1) of which such person is the holder or for which such person holds a proxy and such votes shall be counted in the manner set out in Bye-law 31.4, or in the case of a general meeting at which one or more Members are present by telephone or electronic or other communication facilities, in such manner as the chairman of the meeting may direct. A person entitled to more than one vote need not use all of his votes or cast all the votes he uses in the same way. The result of such poll shall be deemed to be the resolution of the meeting at which the poll was taken and, for the avoidance of doubt, shall replace any previous resolution upon the same matter which may have been the subject of a vote on a show of hands.
- 31.3** A poll taken in accordance with Bye-law 31.1 on a question of adjournment shall be taken forthwith and a poll taken on any other question shall be taken in such manner and at such time and place at such meeting as the chairman (or acting chairman) of the general meeting may direct and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.
- 31.4** Where a vote is taken by poll, each person physically present and entitled to vote shall be furnished with a ballot paper on which such person shall record his vote in such manner as shall be determined at the meeting having regard to the nature of the question on which the vote is taken, and each ballot paper shall be signed or initialled or otherwise marked so as to identify the voter and the registered holder in the case of a proxy. Each person present by telephone or electronic means shall cast his vote in such manner as the chairman shall direct. At the conclusion of the poll, the ballot papers and votes cast in accordance with such directions shall be examined and counted by an inspector of election appointed by the chairman for the purpose and the result of the poll shall be declared by the chairman.

### **32. Voting by Joint Holders of Shares**

In the case of joint holders, the vote of the senior who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members.

### **33. Instrument of Proxy**

- 33.1** A Member may appoint a proxy by (a) an instrument appointing a proxy for a particular meeting of the Members or for all meetings of the Members for a certain or determinable period or until revocation of such appointment in writing in substantially the following form or such other form as the Board may determine from time to time or accept:

**Proxy**  
**RAM Holdings Ltd. (the “Company”)**

I/We, [insert names here], being a Member of the Company with [number] shares, HEREBY APPOINT [name] of [address] or failing him, [name] of [address] to be my/our proxy to vote for me/us at the meeting of the Members held on the [ ] day of [ ], 20[ ] and at any adjournment thereof. (Any restrictions on voting to be inserted here.)

Signed this [ ] day of [ ], 20[ ]

\_\_\_\_\_  
Member(s)

or (b) such telephonic, electronic or other means as may be approved by the Board from time to time.

- 33.2** The appointment of a proxy must be received by the Company at the registered office or at such other place or in such manner as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting at which the person named in the appointment proposes to vote, and an appointment of proxy which is not received in the manner so permitted shall be invalid.
- 33.3** A Member who is the holder of two or more shares may appoint more than one proxy in respect of his shares to represent him and vote on his behalf.
- 33.4** The decision of the chairman of any general meeting as to the validity of any appointment of a proxy shall be final.

**34. Representation of Corporate Member**

- 34.1** A corporation which is a Member may, by written instrument, authorise such person or persons as it thinks fit to act as its representative at any meeting of the Members or for all meetings of the Members or for all meetings of the Members for a certain or determinable period or until revocation of such authorisation in writing and any person so authorised shall be entitled to exercise the same powers on behalf of the corporation which such person represents as that corporation could exercise if it were an individual Member, and that Member shall be deemed to be present in person at any such meeting attended by its authorised representative or representatives.
- 34.2** Notwithstanding the foregoing, the chairman of the meeting may accept such assurances as he thinks fit as to the right of any person to attend and vote at general meetings on behalf of a corporation which is a Member.

**35. Adjournment of General Meeting**

- 35.1** The chairman of any general meeting at which a quorum is present may with the consent of a majority in number of those present (and shall if so directed by a majority in number of those present), adjourn the meeting.
- 35.2** In addition, the chairman may adjourn the meeting to another time and place without such consent or direction if it appears to him that:
- (a) it is likely to be impracticable to hold or continue that meeting because of the number of Members wishing to attend who are not present; or
  - (b) the unruly conduct of persons attending the meeting prevents, or is likely to prevent, the orderly continuation of the business of the meeting; or
  - (c) an adjournment is otherwise necessary so that the business of the meeting may be properly conducted.

- 35.3** Unless the meeting is adjourned to a specific date, place and time announced at the meeting being adjourned, fresh notice of the date, place and time for the resumption of the adjourned meeting shall be given to each Member entitled to attend and vote thereat in accordance with the provisions of these Bye-laws.

### **36. Written Resolutions**

- 36.1** Subject to the following, anything which may be done by resolution of the Company in general meeting or by resolution of a meeting of any class of the Members may, without a meeting and without any previous notice being required, be done by resolution in writing in accordance with this Bye-law.
- 36.2** Notice of a written resolution shall be given, and a copy of the resolution shall be circulated to all Members who would be entitled to attend a meeting and vote thereon. The accidental omission to give notice to, or the non-receipt of a notice by, any Member does not invalidate the passing of a resolution.
- 36.3** A written resolution is passed when it is signed by, or in the case of a Member that is a corporation, on behalf of, the Members who at the date that the notice is given represent such majority of votes as would be required if the resolution was voted on at a meeting of Members at which all Members entitled to attend and vote thereat were present and voting (after giving effect to any adjustments or eliminations of voting power of any shares pursuant to Bye-laws 38 and 39.1).
- 36.4** A resolution in writing may be signed in, or in as many counterparts as may be necessary.
- 36.5** A resolution in writing made in accordance with this Bye-law is as valid as if it had been passed by the Company in general meeting or by a meeting of the relevant class of Members, as the case may be (provided that any such resolution shall be valid only if (i) the signature of the last Member to sign is affixed outside the United States, and (ii) the Board has not determined that the use of a resolution in writing would result in a non-de minimis adverse tax, regulatory or legal consequence to the Company, any subsidiary of the Company, or any direct or Indirect holder of shares or its Affiliates), and any reference in any Bye-law to a meeting at which a resolution is passed or to Members voting in favour of a resolution shall be construed accordingly.
- 36.6** A resolution in writing made in accordance with this Bye-law shall constitute minutes for the purposes of the Act.
- 36.7** This Bye-law shall not apply to (i) a resolution passed to remove an Auditor from office before the expiration of his term of office; or (ii) a resolution passed to remove a Director from office before the expiration of his term of office.
- 36.8** For the purposes of this Bye-law, the effective date of the resolution is the date when the resolution is signed by, or in the case of a Member that is a corporation whether or not a company within the meaning of the Act, on behalf of, the last Member whose signature results in the necessary voting majority being achieved and any reference in any Bye-law to the date of passing of a resolution is, in relation to a resolution made in accordance with this Bye-law, a reference to such date.

### **37. Directors Attendance at General Meetings**

The Directors of the Company shall be entitled to receive notice of, attend and be heard at any general meeting.

## VOTING LIMITATIONS; PROVISION OF INFORMATION; CERTAIN SUBSIDIARIES

### 38. Adjustment of Voting Power

- 38.1** The voting power of all shares is hereby adjusted (and shall be automatically adjusted in the future) to the extent necessary so that there is no 9.9% U.S. Member or 24.5% U.S. Member. The Board shall implement the foregoing in the manner provided herein; *provided, however*, that the foregoing provision and the remainder of this Bye-law 38 shall not apply in the event that one Member owns greater than 75% of the voting power or value of the issued and outstanding shares of the Company ([as determined for purposes of Sections 953 and 957 of the Code](#)).
- 38.2** The Board shall from time to time, including prior to any time at which a vote of Members is taken, take all reasonable steps that the Board, in its discretion, deems necessary, including those specified in Bye-law 39, to ascertain through communications with Members or otherwise, whether there exists, or will exist at the time any vote of Members is taken, a Tentative 9.9% U.S. Member or Tentative 24.5% U.S. Member. Notwithstanding the foregoing, neither the Company nor a Director will be liable to a Member or Indirect holder of shares for any losses or damages in the event that the Company reaches an erroneous conclusion on the existence of a Tentative 9.9% U.S. Member or a Tentative 24% U.S. Member.
- 38.3** In the event that a Tentative 9.9% U.S. Member or Tentative 24.5% U.S. Member exists, the aggregate votes conferred by shares held by a Member and treated as Controlled Shares of that Tentative 9.9% U.S. Member or Tentative 24.5% U.S. Member shall be reduced to the extent necessary such that the Controlled Shares of the Tentative 9.9% U.S. Member or Tentative 24.5% U.S. Member will constitute 9.9% of the voting power of all issued and outstanding shares ([as determined for purposes of Sections 953 and 957 of the Code](#)). If more than one Tentative 9.9% U.S. Member or Tentative 24.5% U.S. Member exists, the previous sentence shall apply first to the Controlled Shares of the Tentative 9.9% U.S. Member or Tentative 24.5% U.S. Member that owns, directly, Indirectly or constructively (within the meaning of Section 958(b) of the Code), the largest number of Controlled Shares, provided that in the event of a tie, the reduction shall apply *pro-rata* based on the Controlled Shares so owned, to such Tentative 9.9% U.S. Members and/or Tentative 24.5% U.S. Member. In applying the previous two sentences where shares held by more than one Member are treated as Controlled Shares of a Tentative 9.9% U.S. Member or Tentative 24.5% U.S. Member, the reduction in votes shall apply to such Members in descending order according to their respective Attribution Percentages; *provided that*, (A) in the event of a tie, the reduction shall apply *pro rata* based on the number of Controlled Shares owned, directly, Indirectly or constructively (within the meaning of Section 958(b) of the Code) by each such Member and (B) if shares owned directly by [the PMI Member](#) are treated as Controlled Shares of such Tentative 9.9% U.S. Member or Tentative 24.5% U.S. Member, the reduction in votes shall apply to the PMI Member only after reducing to zero the votes of all other Members whose shares are treated as Controlled Shares of such Tentative 9.9% U.S. Member or Tentative 24.5% U.S. Member. Notwithstanding anything to the contrary set forth herein, in no event shall the voting power held by [the PMI Member](#) be reduced to below 9.9% by operation of this Bye-law 38.3. The votes of Members owning no shares treated as Controlled Shares of any Tentative 9.9% U.S. Member or Tentative 24.5% U.S. Member shall, in the aggregate, be increased by the same number of votes subject to reduction as described above. Such increase shall apply to all such Members in proportion to their voting power at that time; *provided that* such increase shall be limited to the extent necessary to avoid causing any U.S. Person to be a 9.9% U.S. Member or 24.5% U.S. Member. The adjustments of voting power described in this Bye-law 38 shall apply repeatedly until there is no 9.9% U.S. Member and no 24.5% U.S. Member. The Board of Directors



may deviate from any of the principles described in this Bye-law 38 and determine that shares held by a Member shall carry different voting rights as it determines appropriate (A) to avoid the existence of any 9.9% U.S. Member or 24.5% U.S. Member, or (B) to avoid a non-*de minimis* adverse tax, legal or regulatory consequences to the Company, any subsidiary of the Company, or any other direct or Indirect holder of shares or its Affiliates, including, without limitation, (i) allocating voting power resulting from a reduction, as described above, only to Members that have responded to a request from the Board for information pursuant to Bye-law 39.1 and (ii) reducing the voting power of the Controlled Shares of a U.S. Person that only owns shares as a result of the constructive ownership rules of section 958(b) of the Code, if the Company has actual knowledge that such ownership may result in a current income inclusion under section 951(a)(1) of the Code for another Member; *provided, however*, that such deviations shall not, without [the PMI Member's](#) consent, reduce the aggregate votes conferred by shares held by [the PMI Member](#) (i) under circumstances in which such reduction would not be required by the foregoing provisions of this Bye-law 38.3 or (ii) by a number of votes that would exceed the reduction required by such provisions. For the avoidance of doubt, in applying the provisions of this Bye-law 38, a share may carry a fraction of a vote.

- 38.4** In the event that a Constructive 9.9% U.S. Member exists after the application of Bye-law 38.3, the aggregate votes conferred by shares held by a Member and treated as Controlled Shares of that Constructive 9.9% U.S. Member shall be reduced to the extent necessary such that the Controlled Shares of the Constructive 9.9% U.S. Member will constitute 9.9% of the voting power of all issued and outstanding shares ([as determined for purposes of Sections 953 and 957 of the Code](#)). In addition to the provisions of Bye-laws 38.1, 38.3 and the foregoing in this Bye-law 38.4, shares shall not carry any right to vote to the extent that the Board determines that it is necessary after the application of Bye-law 38.3 that such shares should not carry the right to vote in order to avoid non-*de minimis* adverse tax, legal or regulatory consequences to the Company, any subsidiary of the Company, or any other direct or Indirect holder of shares or its Affiliates; *provided* that no adjustment pursuant to this sentence shall cause any person to become a 9.9% U.S. Member or 24.5% U.S. Member. In the event an adjustment to the votes of Members is required pursuant to this Bye-law 38.4 due to the existence of a Constructive 9.9% U.S. Member or otherwise, if shares owned directly by [the PMI Member](#) are treated as Controlled Shares of such Constructive 9.9% U.S. Member, the reduction in votes shall apply to [the PMI Member](#) only after reducing to zero the votes of all other Members whose shares are treated as Controlled Shares of such Constructive 9.9% U.S. Member, and in no event shall the voting power held by [the PMI Member](#) be reduced to below 9.9% by operation of this Bye-law 38.4. The Board shall implement the adjustments set forth in this Bye-law 38.4 in a manner similar to the adjustments set forth in Bye-law 38.3. Notwithstanding the foregoing and any other provisions of these Bye-laws, the Board is under no obligation to determine the existence of a Constructive 9.9% U.S. Member.
- 38.5** Prior to any date on which Members shall vote on any matter, the Board shall (i) retain the services of an internationally recognized accounting firm or organization with comparable professional capabilities in order to assist the Company in applying the principles of this Bye-law 38, and (ii) obtain from such firm or organization a statement describing the information obtained and procedures followed and setting forth the determinations made with respect to this Bye-law 38.
- 38.6** The Board shall endeavour to notify each Member entitled to attend and vote at a general meeting prior to or at the start of such general meeting of the voting power conferred by its shares determined in accordance with this Bye-law 38.
- 38.7** Any determination by the Board as to any adjustments to voting power of any share made pursuant to this Bye-law 38 shall be final and binding and any vote taken based

on such determination shall not be capable of being challenged based solely on such determination. Failure to notify any Member pursuant to Bye-law 38.6 shall not affect the validity of any vote.

### **39. Provision of Certain Information**

- 39.1** The Board shall have the authority to request from any Member or Indirect holder of shares, and such holder shall provide, such information as the Board may reasonably request for the purpose of determining whether any holder's voting rights are to be adjusted. If such Member or Indirect holder to whom the request is made fails to respond to such a request, or submits incomplete or inaccurate information in response to such a request, the Board may determine that the relevant Member's shares shall carry no voting rights, in which case such shares shall not carry any voting rights until such information is provided, or if no such information is provided, otherwise determined by the Board.
- 39.2** Any Member or Indirect holder of shares other than the PMI Member shall give notice to the Company within 10 days following the date that such Member or Indirect holder acquires actual knowledge that it is the owner of Controlled Shares of more than 9.9% of the voting power of all issued and outstanding shares, ~~and~~ (as determined for purposes of Sections 953 and 957 of the Code), and the PMI Member shall give notice to the Company within 10 days following the date that it acquires actual knowledge that it is the owner of Controlled Shares of 24.5% or more of the voting power or value of all issued and outstanding shares (as determined for purposes of Sections 953 and 957 of the Code).
- 39.3** Notwithstanding the foregoing, neither the Company nor any Director, Officer or Member shall be liable to any other Member or the Company for any losses or damages resulting from such Member's or Indirect holder's failure to respond to, or submission of incomplete or inaccurate information in response to, a request under Bye-law 39.1 or from such Member's failure to give notice under Bye-law 39.2.
- 39.4** Any information provided by any Member or any Indirect holder of shares to the Company, the Directors or the Secretary pursuant to this Bye-law 39 or for purposes of making the analysis required by Bye-law 38, shall be deemed "confidential information" (the "Confidential Information") and shall be used by the Company solely for the purposes contemplated by such Bye-laws (except as may be required otherwise by applicable law or regulation). The Company shall hold such Confidential Information in strict confidence and shall not disclose any Confidential Information that it receives, except (i) to the U.S. Internal Revenue Service (the "Service") if and to the extent the Confidential Information is required by the Service, (ii) to any outside legal counsel or accounting firm engaged by the Company to make determinations regarding the relevant Bye-laws, or (iii) as otherwise required by applicable law or regulation.
- 39.5** For the avoidance of doubt, the Company shall be permitted to disclose to the Members and others the relative voting percentages of the Members after application of Bye-laws 38 and 39.1. At the written request of a Member, the Confidential Information of such Member shall be destroyed or returned to such Member after the later to occur of (i) such Member no longer being a Member, or (ii) the expiration of the applicable statute of limitations with respect to any Confidential Information obtained for purposes of engaging in any tax-related analysis.

### **40. Certain Subsidiaries**

- 40.1** Notwithstanding any other provision of these Bye-laws to the contrary, if the Company is required or entitled to vote at a general meeting of any non United States direct

subsidiary of the Company, the Board shall refer the subject matter of the vote to the Members of the Company at a general meeting (subject to any adjustments or eliminations of voting power of any shares, pursuant to Bye-laws 38 and 39.1) and seek direction from the Members for the Company's corporate representative or proxy to vote in favour of or against the resolution proposed by the subsidiary or to abstain from voting on the resolution; *provided* that in the case of an election of the directors of a subsidiary, the principles of Bye-law ~~41.5~~ 41 shall apply. The Board shall cause the Company's corporate representative or proxy to vote the Company's shares in the subsidiary pro rata to the votes received at the general meeting of the Company, with votes for or against the directing resolution being taken, respectively, as an instruction for the Company's corporate representative or proxy to vote the appropriate proportion of its shares for and the appropriate proportion of its shares against the resolution proposed by the subsidiary or to abstain from voting on the resolution.

- 40.2** The Board shall require that the Bye-laws or Articles of Association, or similar organizational documents, of each direct subsidiary of the Company organized under the laws of a jurisdiction outside the United States shall contain provisions substantially similar to this Bye-law 40. The Company shall enter into agreements, as and when determined by the Board, with each such subsidiary, only if and to the extent reasonably necessary and permitted under applicable law, to effectuate or implement this Bye-law 40.

## DIRECTORS AND OFFICERS

### 41. Election of Directors

- 41.1** The Board shall consist of such number of Directors being not less than ~~11~~ 5 Directors and not more than ~~15~~ 11 Directors as the Board may from time to time determine and shall include the PMI Director or the PMI Designated Director(s), as applicable.

- 41.2** In the event that the PMI Member, in exercise of its cumulative voting rights pursuant to Bye-Law 41.6, does not have sufficient voting power, by operation of Bye-law 38 or 39, to elect at least one director and where, but for either Bye-Law 38 or 39, the PMI Member would otherwise have sufficient voting power to so elect at least one Director, then for so long as the PMI Member holds the Applicable Number of Common Shares, the PMI Member shall be entitled to elect one director to the Board to hold office until the next annual general meeting (subject to removal pursuant to Bye-Law 44.2 or his office otherwise being vacated pursuant to Bye-Law 45, in which case any such vacancy shall be filled pursuant to Bye-law 44.4) or, if earlier, until such time as the PMI Member no longer holds the Applicable Number of Common Shares (the "PMI Director"). The PMI Director initially so elected shall be the individual director that received a plurality of the votes cast, in exercise of its cumulative voting rights pursuant to Bye-Law 41.6, by the PMI Member at the meeting at which the PMI Member's voting power was adjusted pursuant to Bye-Law 38 or 39.

- 41.3** ~~41.2-Only~~ Subject to Bye-law 41.2, only persons who are proposed or nominated in accordance with this Bye-law shall be eligible for election as Directors. Any Member or the Board may propose any persons for election as a Director. Where any person, other than a Director retiring at the meeting or a person proposed for re-election or election as a Director by the Board, is to be proposed for election as a Director, notice must be given to the Company of the intention to propose him and of his willingness to serve as a Director. That notice must be given not less than 90 days before the anniversary of the last annual general meeting prior to the giving of the notice or not less than 10 days prior to the meeting at which Directors are to be elected, whichever deadline occurs earlier. In addition, such notice shall set forth (a) as to each individual whom such Member proposes to nominate for election as a Director, (i) the name, age,

business address and residence address of such individual, (ii) the principal occupation or employment of such individual, (iii) the class and number of shares of the Company which are beneficially owned by such individual and (iv) any other information relating to such individual that is required to be disclosed in solicitations of proxies with respect to nominees for election as Directors pursuant to Regulation 14A under the Exchange Act (including, without limitation, such individual's written consent to being named as a nominee in the Company's proxy statement delivered to Members in connection with the annual general meeting at which the individual is to be nominated and to serving as Director, if elected); and (b) as to the Member giving the notice (i) the name and address, as they appear on the Register of Members, of such Member, (ii) the class and number of shares which are beneficially owned by such Member, and (iii) the period of time such shares have been owned.

**41.4** ~~41.3~~ Where the number of persons validly proposed for re-election or election as a Director is greater than the number of Directors to be elected, the persons receiving the most votes (up to the number of Directors to be elected, or the number of Directors to be elected minus one, if the PMI Member is then entitled to appoint the PMI Director) shall be elected as Directors, and an absolute majority of the votes cast shall not be a prerequisite to the election of such Directors.

**41.5** ~~41.4~~ At any general meeting the Members may authorise the Board to fill any vacancy (other than the vacancy of a PMI Director, if applicable) in their number left unfilled at a general meeting.

**41.6** ~~41.5~~ Notwithstanding anything to the contrary in these Bye-laws (but subject to any adjustments or eliminations of voting power of any shares pursuant to Bye-laws 38 and 39.1), Members shall have the right, to cast their votes for the election or appointment of Directors on a cumulative basis. Any Member wishing to exercise this right, must give notice to the secretary of the Company at least two (2) days prior to the date of the meeting for the election or appointment of Directors of the Member's intention to cumulate votes. If any Member has given such a notice, then every Member entitled to vote may cumulate votes for Directors in nomination. If cumulative voting is in effect, shares represented by each properly signed proxy card will also be voted on a cumulative basis, with the votes distributed among the Director nominees in accordance with the judgment of the persons named in the proxy card; *provided* that the appointed proxy may not distribute any votes of a Member to a Director nominee for whom the Member in its proxy voted against or withheld its vote. For purposes of this Bye-law, voting on a cumulative basis shall mean that a Member shall be permitted to cast a number of votes for Directors equal to the product of the number of shares owned by such Member and the number of Directors to be elected, and that each Member may cast all of its votes as so determined for one or more of the Directors nominated for election.

## **42. Term of Office of Directors**

A Director shall hold office until the next annual general meeting, subject to being removed pursuant to Bye-law 44 or his office is otherwise vacated pursuant to Bye-law 45.

## **43. Alternate Directors**

**43.1** At any general meeting of the Company, the Members may elect a person or persons to act as a Director in the alternative to any one or more Directors of the Company or may authorise the Board to appoint such Alternate Directors.

**43.2** Unless the Members otherwise resolve, any Director may appoint a person or persons to act as a Director in the alternative to himself by notice in writing deposited with the

Secretary. Any person so elected or appointed shall have all the rights and powers of the Director or Directors for whom such person is appointed in the alternative provided that such person shall not be counted more than once in determining whether or not a quorum is present.

- 43.3 An Alternate Director shall be entitled to receive notice of all meetings of the Board and to attend and vote at any such meeting at which a Director for whom such Alternate Director was appointed in the alternative is not personally present and generally to perform at such meeting all the functions of such Director for whom such Alternate Director was appointed.
- 43.4 An Alternate Director shall cease to be such if the Director for whom such Alternate Director was appointed ceases for any reason to be a Director but may be re-appointed by the Board as an alternate to the person appointed to fill the vacancy in accordance with these Bye-laws.

#### 44. Removal of Directors

- 44.1 ~~A~~ Subject to Bye-Law 44.2, a Director may be removed from the office of Director before the expiry of his term by resolution passed at any general meeting of the Members but only for Cause by the affirmative vote of Members holding at least a majority of the total combined voting power of all of the issued and outstanding shares of the Company after giving effect to any adjustments or eliminations of voting power of any shares pursuant to Bye-laws 38 and 39.1; provided that the notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention so to do and be served on such Director not less than 14 days before the meeting and at such meeting the Director shall be entitled to be heard on the motion for such Director's removal.
- 44.2 Notwithstanding Bye-law 44.1, and subject to Bermuda law, the PMI Director may only be removed by the PMI Member, and the PMI Member shall be entitled to remove, by notice in writing deposited with the Secretary, such PMI Director at any time with or without Cause.
- 44.3 ~~44.2 If~~ Subject to Bye-law 44.4, (i) if a Director is removed from the Board under the provisions of this Bye-law, the Members may fill the vacancy at the meeting at which such Director is removed. ~~It~~ and (ii) in the absence of such election or appointment, the Board may fill the vacancy in accordance with Bye-law 45.
- 44.4 Notwithstanding Bye-law 44.3, if the PMI Director is removed from the Board under the provisions of this Bye-law 44 or Bye-law 45.2, the PMI Member shall have the sole right to fill the vacancy, by notice in writing deposited with the Secretary.

#### 45. Vacancy in the Office of Director

- 45.1 Subject to Bye-law ~~44.2,~~ laws 44.3 and 44.4 and except with respect to a vacancy with respect to a PMI Designated Director, if any, the Board shall have the power from time to time and at any time, by the affirmative vote of at least a majority of the Directors then in office, to appoint any person as a Director to fill a vacancy on the Board occurring as the result of the death, disability, disqualification, resignation or any other cause set forth in Bye-law 45.2 of any Director; provided, that such vacancy shall be filled within 28 days after the occurrence of such vacancy. If the vacancy on the Board occurs with respect to a PMI Designated Director, if any, then the PMI Member shall have the sole right to fill the vacancy of such PMI Designated Director, by notice in writing deposited with the Secretary. A "PMI Designated Director" is any Director with respect to whom, at the then most recent election of Directors, the PMI Member cast a number of votes that, through application of cumulative voting, would have been



sufficient to elect such Director if no other votes had been cast for such Director, or any Director appointed to the Board to replace such Director or any subsequent replacement thereof. A Director so appointed shall hold office until the next annual general meeting or until such Director's office is otherwise vacated.

- 45.2** The office of Director shall be vacated if the Director:
- (a) is removed from office pursuant to these Bye-laws or is prohibited from being a Director by law;
  - (b) is or becomes bankrupt, or makes any arrangement or composition with his creditors generally;
  - (c) is or becomes of unsound mind or dies;
  - (d) resigns his office by notice in writing to the Company; or
  - (e) that is otherwise employed by the Company resigns from such other employment or ceases to be so employed.

#### **46. Remuneration of Directors**

- 46.1** The remuneration and other benefits (if any) of the Directors shall be determined by the Board, or a committee thereof, including without limitation participation in any share option or incentive plan, and shall be deemed to accrue from day to day. The Directors may also be paid all travel, hotel and other expenses properly incurred by them in attending and returning from the meetings of the Board, any committee appointed by the Board, general meetings of the Company, or in connection with the business of the Company or their duties as Directors generally.
- 46.2** A Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director for such period on such terms as to remuneration and otherwise as the Board may determine.
- 46.3** The Board, or a committee thereof, may award special remuneration and benefits to any Director undertaking any special work or services for, or undertaking any special mission on behalf of, the Company other than his or her ordinary routine work as a Director. Any fees paid to a Director who is also counsel or attorney to the Company, or otherwise serves it in a professional capacity, shall be in addition to his or her remuneration as a Director.

#### **47. Defect in Appointment of Director**

All acts done in good faith by the Board or by a committee of the Board or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.

#### **48. Directors to Manage Business**

- 48.1** The business of the Company shall be managed and conducted by the Board. The Board may exercise all such powers of the Company as are not, by statute or by these Bye-laws, required to be exercised by the Company in general meeting subject, nevertheless, to these Bye-laws, the provisions of any statute and to such directions as may be prescribed by the Company in general meeting. The Board may also present any petition and make any application in connection with the liquidation or reorganisation of the Company.



48.2 Subject to these Bye-laws, the Board may delegate to any company, firm, person or body of persons any power of the Board (including the power to sub-delegate).

#### 49. Powers of the Board of Directors

49.1 The Board may exercise all such powers of the Company as are not, by statute or by these Bye-laws, required to be exercised by the Company in general meeting subject, nevertheless, to these Bye-laws, the provisions of any statute and to such directions as may be prescribed by the Company in general meeting. The Board may also present any petition and make any application in connection with the liquidation or reorganisation of the Company. The Board may:

- (a) appoint, suspend or remove any manager, secretary, clerk, agent or employee of the Company and may fix their remuneration and determine their duties;
- (b) exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and may issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or any third party;
- (c) appoint one or more Directors to the office of Managing Director or Chief Executive Officer of the Company, who shall, subject to the control of the Board, supervise and administer all of the general business and affairs of the Company;
- (d) appoint a Director as chairman of the Board; *provided, however,* that in the event that and for so long as the Controlled Shares held by the PMI Member are reduced to constitute 9.9% of the voting power of all issued and outstanding shares of the Company (as determined for purposes of Sections 953 and 957 of the Code) pursuant to Bye-law 38, the PMI Member shall have the exclusive right to appoint the chairman of the Board from among the Directors then serving on the Board, *provided* further that the PMI Member may only appoint as chairman of the Board a Director for whom, at the immediately preceding general meeting of Members for the election of Directors, the PMI Member voted at least half of the then current voting power of its shares in favor of election to the Board or, if applicable, the PMI Director. If and when the PMI Member exercises its right under this Bye-law 49.1(d), any chairman of the Board previously appointed by the Board shall automatically and without further action be removed as chairman of the Board, but shall remain as a Director, effective with the PMI Member's appointment of a chairman of the Board pursuant to this Bye-law 49.1(d).
- (e) appoint a person to act as manager of the Company's day-to-day business or any part thereof (and the Board may appoint more than one manager as manager of different parts of the Company's business) and entrust to and confer upon such manager such powers and duties as he deems appropriate for the transaction or conduct of such business;
- (f) by power of attorney, appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Board, to be an attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board) and for such period and subject to such conditions as it may think fit and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions so vested in the attorney. Such attorney may, if so authorised under the seal of the Company, execute any deed or instrument under such attorney's personal seal with the same effect as the affixation of the seal of the Company;
- (g) procure that the Company pays all expenses incurred in promoting and incorporating the Company;

- (h) delegate any of its powers to a committee appointed by the Board (including the power to sub-delegate) which may consist partly or entirely of Directors or non-Directors provided that every such committee shall conform to such directions as the Board shall impose of them and provided further that the meetings and proceedings of any such committee shall be governed by the provisions of these Bye-laws regulating the meetings and proceedings of the Board, so far as the same are applicable and are not superceded by directions imposed by the Board;
- (i) in connection with the issue of any share, pay such commission and brokerage as may be permitted by law; and
- (j) authorise any company, firm, person or body of persons to act on behalf of the Company for any specific purpose and in connection therewith to execute any agreement, document or instrument on behalf of the Company.

#### **50. Register of Directors and Officers**

The Board shall cause to be kept in one or more books at the registered office of the Company a Register of Directors and Officers and shall enter therein the particulars required by the Act.

#### **51. Officers**

The Officers shall consist of a President and a Vice President or a Chairman and a Deputy Chairman, a Secretary and such additional Officers as the Board may determine all of whom shall be deemed to be Officers for the purposes of these Bye-laws.

#### **52. Appointment of Officers**

The Board shall appoint a President and Vice President or a Chairman and Deputy Chairman who shall be Directors. The Secretary (and additional Officers, if any) shall be appointed by the Board from time to time.

#### **53. Duties of Officers**

The Officers shall have such powers and perform such duties in the management, business and affairs of the Company as may be delegated to them by the Board from time to time.

#### **54. Remuneration of Officers**

The Officers shall receive such remuneration as the Board, or a committee thereof, may determine.

#### **55. Conflicts of Interest**

- 55.1** Any Director may hold any other office or place of profit under the Company, and any Director, or any Director's firm, partner or any company with whom any Director is associated, may act in any capacity for the Company and such Director or such Director's firm, partner or company shall be entitled to remuneration for services or work as if such Director were not a Director. Nothing herein contained shall authorise a Director or Director's firm, partner or company to act as Auditor to the Company.

- 55.2** A Director who is directly or indirectly interested in a contract or proposed contract or arrangement with the Company shall declare the nature of such interest as required by the Act.
- 55.3** Following a declaration being made pursuant to this Bye-law, and unless disqualified by the chairman of the relevant Board meeting, a Director may vote in respect of any contract or proposed contract or arrangement in which such Director is interested and may be counted in the quorum for such meeting.

## **56. Indemnification and Exculpation of Directors and Officers**

- 56.1** The Directors, Secretary, other Officers (such term to include, for the purposes of Bye-laws 56 and 56A, any person appointed to any committee by the Board) and the Resident Representative for the time being acting in relation to any of the affairs of the Company and the liquidator or trustees (if any) for the time being acting in relation to any of the affairs of the Company and every one of them, and their heirs, executors and administrators, shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses (including, but not limited to, liabilities under contract, tort and statute or any applicable foreign law or regulation and all reasonable legal and other costs and expenses properly payable) which they or any of them, their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, or in their respective offices or trusts, and none of them shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto; PROVIDED THAT this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of the said persons.
- 56.2** No Director, Secretary, other Officer or Resident Representative and no liquidator or trustee of the Company for the time being acting in relation to any of the affairs of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer or other person, or for any loss or expense incurred by the Company through the insufficiency or deficiency of title to any property acquired by the Board for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the monies of the Company is invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any monies, securities or effects is deposited, or for any loss occasioned by an error of judgment, omission, default or oversight on his or her part, or for any other loss, damage or misfortune whatever which shall happen in relation to the execution of the duties of his or her office, or in relation thereto, unless the same happens through fraud or dishonesty on his or her part.
- 56.3** Each Director, Secretary, other Officer and the Resident Representative and the liquidator or trustee (if any) of the Company, and his or her heirs, executors and administrators, shall be indemnified out of the assets of the Company against all liabilities, losses, costs and expenses which he or she or any of his or her heirs, executors or administrators, incur or may incur or sustain, by or by reason of any act, by such person, or other person or a collective of persons (including, without limitation, the Board) or by the Company, done, concurred in or omitted in or about the execution of his, her or their duty, or supposed duty, or in his, her or their

respective offices or trusts, in defending or appearing or giving evidence in any proceedings (such term to include, for the purposes of this Bye-law, threatened proceedings, investigations and enquiries, whether by a regulatory authority, prosecutions authority or otherwise), whether civil or criminal, including where allegations of fraud and dishonesty are made against such Director or other person, and the Company shall pay to or on behalf of such Director or any other person any and all funds associated in defending or appearing or giving evidence in such proceedings (including without limitation independent representation and counseling by an attorney or other professional selected by such Director or other person covered) as and when such liabilities, losses, costs and expenses are incurred; PROVIDED THAT in the event of a finding of fraud or dishonesty (as found in a final judgment or decree not subject to appeal), such Director or other person shall reimburse to the Company all funds paid by the Company in respect of liabilities, losses, costs and expenses of defending such proceedings.

- 56.4** The provisions of this Bye-law 56 shall apply to, and for the benefit of, any person acting as (or with the reasonable belief that he or she will be appointed or elected as) a Director, Secretary, other Officer, the Resident Representative, or liquidator or trustee in the reasonable belief that he or she has been so appointed or elected notwithstanding any defect in such appointment or election and to any person who is no longer, but at one time was, a Director, Secretary, other Officer, Resident Representative or liquidator or trustee of the Company.
- 56.5** The Company may purchase and maintain insurance for the benefit of any Director or Officer against any liability incurred by him under the Act in his capacity as a Director or Officer or indemnifying such Director or Officer in respect of any loss arising or liability attaching to him by virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which the Director or Officer may be guilty in relation to the Company or any subsidiary thereof.
- 56.6** The foregoing rights of indemnification shall not be exclusive of any other rights to which any such person may be entitled apart from the provisions of this Bye-law.

#### **Waiver of Claim by the Company and Members**

- 56A.1** The Company and each Member agree to waive any claim or right of action the Company or such Member might have, whether individually or by or in the right of the Company, against any Director, Secretary, other Officer, Resident Representative or liquidator or trustee of the Company on account of any action taken by such director or other such person, or the failure of such Director or other person to take any action, in the performance of his or her duties with or for the Company; PROVIDED, THAT such waiver shall not extend to any matter in respect of any fraud or dishonesty which may attach to such director or other person.
- 56A.2** The provisions of this Bye-law 56A shall apply to, and for the benefit of, any person acting as (or with the reasonable belief that he or she will be appointed or elected as) a Director, Secretary, other Officer, the Resident Representative, or liquidator or trustee in the reasonable belief that he or she has been so appointed or elected notwithstanding any defect in such appointment or election and to any person who is no longer, but at one time was, a Director, Secretary, other Officer, Resident Representative or liquidator or trustee of the Company.

## MEETINGS OF THE BOARD OF DIRECTORS

### 57. Board Meetings

The Board may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit. A resolution put to the vote at a meeting of the Board shall be carried by the affirmative votes of a majority of the votes cast and in the case of an equality of votes the resolution shall fail.

### 58. Notice of Board Meetings

A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Board. Notice of a meeting of the Board shall be deemed to be duly given to a Director if, at least seven days prior to such meeting, it is given to such Director verbally (in person or by telephone) or otherwise communicated or sent to such Director by post, facsimile, electronic means or other mode of representing words in visible form at such Director's last known address or in accordance with any other instructions given by such Director to the Company for this purpose; *provided, however*, that a Director may consent to a shorter notice period orally or in writing before the commencement of the meeting.

### 59. Electronic participation in Meetings

Directors may participate in any meeting by such telephonic or electronic means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

### 60. Quorum at Board Meetings

The quorum necessary for the transaction of business at a meeting of the Board may be fixed by the Board from time to time and, unless so fixed at any other number, shall be a simple majority of the entire Board at the time of the meeting (provided that such quorum shall not be less than two individuals in accordance with the Act).

### 61. Board to Continue in the Event of Vacancy

The Board may act notwithstanding any vacancy in its number but, if and so long as its number is reduced below the number fixed by or in accordance with these Bye-laws as the quorum necessary for the transaction of business at meetings of the Board, the continuing Directors or Director may act for the purpose of (i) summoning a general meeting of the Company; or (ii) preserving the assets of the Company.

### 62. Chairman to Preside

Unless otherwise agreed by a majority of the Directors attending, the Chairman, if there be one, and if not the President, shall act as chairman at all meetings of the Board at which such person is present. In their absence the Deputy Chairman or Vice President, if present, shall act as chairman and in the absence of all of them a chairman shall be appointed or elected by the Directors present at the meeting.

### **63. Written Resolutions**

A resolution signed by all the Directors, which may be in counterparts, shall be as valid as if it had been passed at a meeting of the Board duly called and constituted, such resolution to be effective on the date on which the last Director signs the resolution, provided that any such resolution shall be valid only if (i) the signature of the last Director to sign is affixed outside the United States, and (ii) the Board has not determined that the use of a resolution in writing would result in a non-*de minimis* adverse tax, regulatory or legal consequence to the Company, any subsidiary of the Company, or any direct or Indirect holder of shares or its Affiliates. For the purposes of this Bye-law only, "Director" shall not include an Alternate Director. Such resolution shall be deemed to be adopted, as an act of the Board, at the place where, and at the time when, the signature of the last Director to sign is affixed thereto.

### **64. Validity of Prior Acts of the Board**

No regulation or alteration to these Bye-laws made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation or alteration had not been made.

## **CORPORATE RECORDS**

### **65. Minutes**

- 65.1** The Board shall cause minutes to be duly entered in books provided for the purpose:
- (a) of all elections and appointments of Officers;
  - (b) of the names of the Directors present at each meeting of the Board and of any committee appointed by the Board; and
  - (c) of all resolutions and proceedings of general meetings of the Members, meetings of the Board, and meetings of committees appointed by the Board.

### **66. Place Where Corporate Records Kept**

Minutes prepared in accordance with the Act and these Bye-laws shall be kept by the Secretary at the registered office of the Company.

### **67. Form and Use of Seal**

- 67.1** The seal of the Company shall be in such form as the Board may determine. The Board may adopt one or more duplicate seals.
- 67.2** Subject to Bye-law 8.1, the seal of the Company shall not be affixed to any instrument except attested by the signature of a Director and the Secretary, or any two Directors, or any person appointed by the Board for that purpose, provided that any Director, Officer or Resident Representative may affix the seal of the Company attested by such Director, Officer or Resident Representative's signature to any authenticated copies of these Bye-laws, the incorporating documents of the Company, the minutes of any meetings or any other documents required to be authenticated by such Director, Officer or Resident Representative.

### **68. Member Access to Records**

Any Member, in person or by attorney or other agent, shall, upon written demand under oath stating the purpose thereof, have the right during the usual hours for



business to inspect for any proper purpose, and to make copies and extracts from: (a) the Register of Members (as set forth in Bye-law 10) and its other books and records; and (b) the books and records of any subsidiary, to the extent that the Company has actual possession and control of such records of such subsidiary. In every instance where the Member is other than a registered holder of the Company's shares, the demand under oath shall state the person's status as a Member, be accompanied by documentary evidence of beneficial ownership of the shares and state that such documentary evidence is a true and correct copy of what it purports to be. A proper purpose shall mean a purpose reasonably related to such person's interest as a Member. In every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing which authorises the attorney or other agent to so act on behalf of the Member. The demand under oath shall be directed to the Company at its principal place of business.

## **ACCOUNTS**

### **69. Books of Account**

- 69.1** The Board shall cause to be kept proper records of account with respect to all transactions of the Company and in particular with respect to:
- (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure relates;
  - (b) all sales and purchases of goods by the Company; and
  - (c) all assets and liabilities of the Company.
- 69.2** Such records of account shall be kept at the registered office of the Company, or subject to the provisions of the Act, at such other place as the Board thinks fit and shall be available for inspection by the Directors during normal business hours.

### **70. Financial Year End**

The financial year end of the Company may be determined by resolution of the Board and failing such resolution shall be 31st December in each year.

## **AUDITS**

### **71. Annual Audit**

Subject to any rights to waive laying of accounts or appointment of an Auditor pursuant to the Act, the accounts of the Company shall be audited at least once in every year.

### **72. Appointment of Auditors**

- 72.1** Subject to the provisions of the Act, at the annual general meeting or at a subsequent special general meeting in each year, an independent representative of the Members shall be appointed by them as Auditor of the accounts of the Company.
- 72.2** The Auditor may be a Member but no Director, Officer or employee of the Company shall, during his continuance in office, be eligible to act as an Auditor of the Company.

**73. Remuneration of Auditors**

The remuneration of the Auditor shall be fixed by the Company in general meeting or in such manner as the Members may determine.

**74. Duties of Auditors**

**74.1** The financial statements provided for by these Bye-laws shall be audited by the Auditor in accordance with generally accepted auditing standards. The Auditor shall make a written report thereon in accordance with generally accepted auditing standards.

**74.2** The generally accepted auditing standards referred to in this Bye-law may be those of a country or jurisdiction other than Bermuda or such other generally accepted auditing standards as may be provided for in the Act. If so, the financial statements and the report of the Auditor shall identify the generally accepted auditing standards used.

**75. Access to Records**

The Auditor shall at all reasonable times have access to all books kept by the Company and to all accounts and vouchers relating thereto, and the Auditor may call on the Directors or Officers of the Company for any information in their possession relating to the books or affairs of the Company.

**76. Financial Statements**

Subject to any rights to waive laying of accounts pursuant to the provisions of the Act, financial statements as required by the Act shall be laid before the Members in general meeting. A resolution in writing made in accordance with Bye-law 36 receiving, accepting, adopting, approving or otherwise acknowledging financial statements shall be deemed to be the laying of such statements before the Members in general meeting.

**77. Distribution of Auditors Report**

The report of the Auditor shall be submitted to the Members in general meeting.

**78. Vacancy in the Office of Auditor**

If the office of Auditor becomes vacant by the resignation or death of the Auditor, or by the Auditor becoming incapable of acting by reason of illness or other disability at a time when the Auditor's services are required, the vacancy thereby created shall be filled in accordance with the Act.

**BUSINESS COMBINATIONS**

**79. Business Combinations**

**79.1** Subject to Bye-law 79.2, the Company shall not engage in any Business Combination unless such Business Combination has been approved by a resolution of the Members by the affirmative votes of the holders of not less than 66% of the voting power of the Company (subject to any adjustments or eliminations of voting power of any shares pursuant to Bye-laws 38 and 39.1).

**79.2** Bye-law 79.1 shall not apply in respect of any Business Combination approved by the Board, and in respect of any Business Combination approved by the Board which the

Act requires to be approved by the Members, the necessary general meeting quorum and Members' approval shall be as set out in Bye-laws 28 and 30 respectively.

**79.3** In this Bye-law, "Business Combination" means:

- (a) any amalgamation, merger, consolidation or similar transaction involving the Company, other than any such transaction in which the Members as of immediately prior to such transaction hold, directly or indirectly, as of immediately following such transaction voting securities of the resulting, surviving or continuing entity representing a majority of all outstanding voting securities of such entity;
- (b) any sale or transfer by the Company, in a single transaction or series of related transactions, to one person or a group (as defined in Rule 13d-3 of the Exchange Act) of securities representing a majority of the voting power of the Company; or
- (c) any sale or other disposition of all or substantially all of the assets of the Company or of all or substantially all of the assets of any company or other entity in the Group in a single transaction or a series of related transactions, not being in connection with that company's insurance or reinsurance business.

## VOLUNTARY WINDING-UP AND DISSOLUTION

### 80. Winding-Up

If the Company shall be wound up the liquidator may, with the sanction of a resolution of the Members, divide amongst the Members in specie or in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in the trustees upon such trusts for the benefit of the Members as the liquidator shall think fit, but so that no Member shall be compelled to accept any shares or other securities or assets whereon there is any liability.

## CHANGES TO CONSTITUTION

### 81. Changes to Bye-laws

- 81.1** Subject to Bye-laws 81.2, 81.3 and 81.4, no Bye-law shall be rescinded, altered or amended and no new Bye-law shall be made until the same has been approved by a resolution of the Board and by a resolution of Members.
- 81.2** Bye-laws 38, 39, 41, 42, 44, 79, and 81 shall not be rescinded, altered or amended and no new Bye-law shall be made which would have the effect of rescinding, altering or amending the provisions of such Bye-laws, until the same has been approved by a resolution of the Board including the affirmative vote of not less than 66% of the Directors then in office and by a resolution of the Members including the affirmative vote of not less than 66% of the voting power of the Company (subject to any adjustments or eliminations of voting power of any shares pursuant to Bye-laws 38 and 39.1).
- 81.3** Notwithstanding any other provision of these Bye-laws, any amendment of Bye-law ~~38~~ 1, 38, 40 or 41 that would adversely affect the PMI Member, any amendment of Bye-law 41.1 so as to reduce the size of the Board below ~~11~~ 5 Directors, and any amendment of Bye-law 3, 41.2, 41.4, 41.5, ~~44.1,~~ 41.6, 44, 45.1, 49.1(d) or this Bye-law 81.3, which amendment is to be in effect during any time when the PMI Member remains a Member, shall require the approval of the PMI Member.

**81.4** Bye-law 30.1 shall not be rescinded, altered or amended and no new Bye-law shall be made which would have the effect of rescinding, altering or amending the provisions of such Bye-law, until the same has been approved by a resolution of the Board and by a resolution of the Members including the affirmative vote of at least a majority of the voting power of shares entitled to vote at a meeting of Members (subject to the provisions of Bye-laws 39 and 39.1).

**82. Discontinuance**

The Board may exercise all the powers of the Company to discontinue the Company to a jurisdiction outside Bermuda pursuant to the Act.

**Annex B**

~~**ADOPTED EFFECTIVE**~~

~~**1 MAY 2006**~~

~~**AS AMENDED ON**~~

~~**2 MAY 2008**~~

~~**AS AMENDED ON**~~

~~**17 December 2009**~~

**AMENDED AND RESTATED  
BYE-LAWS OF**

**RAM Reinsurance Company Ltd.**

## TABLE OF CONTENTS

### Interpretation

1. Definitions

### Shares

2. Power to Issue Shares
3. Power of the Company to Purchase its Shares
4. Rights Attaching to Shares
5. Calls on Shares
6. Prohibition on Financial Assistance
7. Forfeiture of Shares
8. Share Certificates
9. Fractional Shares

### Registration of Shares

10. Register of Members
11. Registered Holder Absolute Owner
12. Transfer of Registered Shares
13. Restrictions on Transfer
14. Transmission of Registered Shares

### Alteration of Share Capital

15. Power to Alter Capital
16. Variation of Rights Attaching to Shares

### Dividends and Capitalisation

17. Dividends
18. Power to Set Aside Profits
19. Method of Payment
20. Capitalisation

### Meetings of Members

21. Annual General Meetings
22. Special General Meetings
23. Requisitioned General Meetings and Member Proposals
24. Notice
25. Giving Notice
26. Postponement of General Meeting
27. Attendance and Security at General Meetings
28. Quorum at General Meetings
29. Chairman to Preside
30. Voting on Resolutions
31. Voting by Poll
32. Voting by Joint Holders of Shares
33. Instrument of Proxy

34. Representation of Corporate Member
35. Adjournment of General Meeting
36. Written Resolutions
37. Directors Attendance at General Meetings

### Certain subsidiaries

38. Certain Subsidiaries

### Directors and Officers

39. Election of Directors
40. Term of Office of Directors
41. Alternate Directors
42. Removal of Directors
43. Vacancy in the Office of Director
44. Remuneration of Directors
45. Defect in Appointment of Director
46. Directors to Manage Business
47. Powers of the Board of Directors
48. Register of Directors and Officers
49. Officers
50. Appointment of Officers
51. Duties of Officers
52. Remuneration of Officers
53. Conflicts of Interest
54. Indemnification and Exculpation of Directors and Officers

### 54.A Waiver of Claim by the Company and Members

### Meetings of the Board of Directors

55. Board Meetings
56. Notice of Board Meetings
57. Electronic participation in Meetings
58. Quorum at Board Meetings
59. Board to Continue in the Event of Vacancy
60. Chairman to Preside
61. Written Resolutions
62. Validity of Prior Acts of the Board

### Corporate Records

63. Minutes
64. Place Where Corporate Records Kept

65. Form and Use of Seal
66. Member Access to Records

### Accounts

67. Books of Account
68. Financial Year End

### Audits

69. Annual Audit
70. Appointment of Auditors
71. Remuneration of Auditors
72. Duties of Auditors
73. Access to Records
74. Financial Statements
75. Distribution of Auditors Report
76. Vacancy in the Office of Auditor

### Business Combinations

77. Business Combinations

### Voluntary Winding-Up and Dissolution

78. Winding-Up

### Changes to Constitution

79. Changes to Bye-laws
80. Discontinuance



## INTERPRETATION

### 1. Definitions

**1.1** In these Bye-laws, the following words and expressions shall, where not inconsistent with the context, have the following meanings, respectively:

Act	the Companies Act 1981 as amended from time to time;
Affiliate	as ascribed to such term in Rule 12b-2 of the United States Securities Exchange Act of 1934, as amended;
Alternate Director	an alternate director appointed in accordance with these Bye-laws;
Auditor	includes an individual or partnership;
Board	the board of directors appointed or elected pursuant to these Bye-laws and acting by resolution in accordance with the Act and these Bye-laws or the directors present at a meeting of directors at which there is a quorum;
Business Combination	shall have the meaning ascribed to such term in Bye-law 77.3;
Cause	means willful misconduct, fraud, gross negligence, embezzlement or any criminal conduct, or the failure to comply with the rules of the New York Stock Exchange or any other securities exchange or system on which any shares of the Company may be listed or otherwise authorised for trading from time to time including, without limitation, any best practice or corporate governance guidelines prescribed or recommended by such exchange or system, or an independent Director ceasing to be independent;
Class A Preference Shares	shall have the meaning ascribed to such term in Bye-law 4.1;
Class B Preference Share Certificate of Designation	shall have the meaning ascribed to such term in Bye-law 39.5;
Class B Preference Shares	shall have the meaning ascribed to such term in Bye-law 4.1;
Common Shares	shall have the meaning ascribed to such term in Bye-law 4.1;
Company	the company for which these Bye-laws are approved and confirmed;
Contingent Capital Preference Share	shall have the meaning ascribed to such term in Bye-law 39.5;
Directors	
Director	a director of the Company, which, unless expressly stated to the contrary for a particular Bye-law provision, shall include an Alternate Director;
Exchange	any securities exchange or other system on which any shares of the Company may be listed or otherwise authorised for trading from time to time, including, as may be applicable, The New York Stock Exchange and The Nasdaq National Market;
Group	the Company and every company and other entity which is for the time being controlled by or under common control with the Company (for these purposes, "control" means the power, directly or indirectly, to direct management or policies of the person in question, whether by means of an ownership interest or otherwise);
Member	each person registered in the Register of Members as the holder of shares in the Company and, when two or more persons are so

	registered as joint holders of shares, means the person whose name stands first in the Register of Members as one of such joint holders or all of such persons, as the context so requires;
Notice	written notice as further provided in these Bye-laws unless otherwise specifically stated;
Officer	any person appointed by the Board to hold an office in the Company;
Preference Shares	shall have the meaning ascribed to such term in Bye-law 4.1;
Register of Directors and Officers	the register of directors and officers referred to in these Bye-laws;
Register of Members	the register of Members referred to in these Bye-laws;
Resident Representative	any person appointed to act as resident representative and includes any deputy or assistant resident representative;
Secretary	the person appointed to perform any or all of the duties of secretary of the Company and includes any deputy, assistant or acting secretary;
Treasury Share	a share of the Company that was or is treated as having been acquired and held by the Company and has been held continuously by the Company since it was so acquired and has not been cancelled;
United States	the United States of America and dependent territories or any part thereof;

**1.2** In these Bye-laws, where not inconsistent with the context:

- (a) words denoting the plural number include the singular number and vice versa;
- (b) words denoting the masculine gender include the feminine and neuter genders;
- (c) words importing persons include individuals, companies, associations, partnerships, firms or bodies of persons whether corporate or not;
- (d) the words:-
  - (i) “may” shall be construed as permissive; and
  - (ii) “shall” shall be construed as imperative; and
- (e) unless otherwise provided herein, words or expressions defined in the Act shall bear the same meaning in these Bye-laws.

**1.3** In these Bye-laws expressions referring to writing or its cognates shall, unless the contrary intention appears, include facsimile, printing, lithography, photography, electronic mail and other modes of representing words in visible form.

**1.4** Headings used in these Bye-laws are for convenience only and are not to be used or relied upon in the construction hereof.

## **SHARES**

### **2. Power to Issue Shares**

**2.1** Subject to these Bye-laws and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, the Board shall have the power to issue any unissued shares of the Company on such terms and conditions, and with such rights and restrictions, as it may determine.

**2.2** Without limitation to the provisions of Bye-law 4, subject to the provisions of the Act, any preference shares may be issued or converted into shares that (at a determinable

date or at the option of the Company or the holder) are liable to be redeemed on such terms and in such manner as may be determined by the Board (before the issue or conversion).

- 2.3** Notwithstanding the foregoing or any other provision of these Bye-laws, the Company may not issue any shares or grant options or warrants in a manner that the Board determines may result in a non-de minimis adverse tax, legal or regulatory consequence to the Company, any of its subsidiaries or any direct or indirect holder of shares or its Affiliates. Notwithstanding the foregoing provisions of this Bye-law, the restrictions of this Bye-law 2.3 shall not apply to any issuance of shares to a person acting as an underwriter in the ordinary course of its business, purchasing such shares, pursuant to a purchase agreement to which the Company is a party, for resale.

### **3. Power of the Company to Purchase its Shares**

The Company may purchase its own shares for cancellation or acquire them as Treasury Shares in accordance with the provisions of the Act on such terms as the Board shall think fit. The Board may exercise all the powers of the Company to purchase or acquire all or any part of its own shares in accordance with the Act; *provided, however*, that such purchase may not be made if the Board determines that it would result in a non-de minimis adverse tax, legal or regulatory consequence to the Company, any of its subsidiaries or any direct or indirect holder of shares or its Affiliates.

### **4. Rights Attaching to Shares**

- 4.1** At the date these Bye-laws are adopted, the share capital of the Company is divided into four classes of shares: (a) Class A common shares, par value U.S.\$1.00 that carry voting rights (the “Common Shares”), (b) Class A preference shares, par value U.S. \$1.00 (the “Class A Preference Shares”), (c) Class B preference shares par value U.S. \$1,000.00 (the “Class B Preference Shares”) and (d) the undesignated preference shares of par value US\$1.00 each (the “Preference Shares”). Subject to Bye-law 2.3, the Board is authorised to create, issue and redeem classes, sub-classes and series of shares, including without limitation sub-classes or series of common shares. For the avoidance of doubt, shares carrying no voting rights may be issued.
- 4.2** The holders of Common Shares shall, subject to the provisions of these Bye-laws (including, without limitation, the creation of classes or series of Preference Shares with other rights and restrictions and the Class A Preference Shares and the Class B Preference Shares):
- (a) be entitled to one vote per share;
  - (b) be entitled to such dividends as the Board may from time to time declare;
  - (c) in the event of a winding-up or dissolution of the Company, whether voluntary or involuntary or for the purpose of a reorganization or otherwise or upon any distribution of capital, be entitled to the surplus assets of the Company; and
  - (d) generally be entitled to enjoy all of the general rights attaching to shares.
- 4.3** The holders of the Class A Preference Shares, shall subject to the provisions of these Bye-laws, have all the rights set out in the certificate of Designation, Preferences and Rights of Class A Preference Shares (the “Class A Preference Share Certificate of Designation”).
- 4.4** The holders of the Class B Preference Shares shall, subject to the provisions of these Bye-laws, have all the rights set out in the Certificate of Designation, Preferences and

Rights of Class B Preference Shares (the “Class B Preference Share Certificate of Designation”).

- 4.5** All the rights attaching to a Treasury Share shall be suspended and shall not be exercised by the Company while it holds such Treasury Share and, except where required by the Act, all Treasury Shares shall be excluded from the calculation of any percentage or fraction of the share capital, or shares, of the Company.
- 4.6** Subject to Bye-law 2.3 the Board is authorised to issue any of the Preference Shares, which may be in one or more class or series (any or all of which may be different classes or sub-classes of shares), and to establish from time to time the number of shares to be included in each such class or series, and to fix the designation, powers, preferences and rights of the shares of each such class or series and the qualifications, limitations, or restrictions thereof (and, for the avoidance of doubt, such matters and the issuance of such Preference Shares shall not be deemed to vary the rights attached to the Common Shares). The authority of the Board with respect to a class or series of Preference Shares shall include, but not be limited to, determination of the following:
- (a) the number of shares constituting that class or series and the distinctive designation of that class or series;
  - (b) the dividend rate on the shares of that class or series, whether dividends shall be cumulative and, if so, from which date or dates, and the relative rights of priority, if any, of the payment of dividends on shares of that class or series;
  - (c) whether that class or series shall have voting rights, in addition to the voting rights provided by law, and if so, the terms of such voting rights;
  - (d) whether that class or series shall have conversion or exchange privileges (including, without limitation, conversion into Common Shares), and, if so, the terms and conditions of such conversion or exchange, including provision for adjustment of the conversion or exchange rate in such events as the Board shall determine;
  - (e) whether or not the shares of that class or series shall be redeemable or purchasable, and, if so, the terms and conditions of such redemption or purchase, including the manner of selecting shares for redemption or purchase if less than all shares are to be redeemed or purchased, the date or dates upon or after which they shall be redeemable or purchasable, and the amount per share payable in case of redemption or purchase, which amount may vary under different conditions and at different redemption or purchase dates;
  - (f) whether that class or series shall have a sinking fund for the redemption or purchase of shares of that class or series, and, if so, the terms and amount of such sinking fund;
  - (g) the right of the shares of that class or series to the benefit of conditions and restrictions upon the creation of indebtedness of the Company or any subsidiary, upon the issue of any additional shares (including additional shares of such class or series or any other class or series) and upon the payment of dividends or the making of other distributions on, and the purchase, redemption or other acquisition by the Company or any subsidiary of any issued shares of the Company;
  - (h) the rights of the shares of that class or series in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company, and the relative rights of priority, if any, of payment of shares of that class or series;
  - (i) any other relative participating, optional or other special rights, qualifications, limitations or restrictions of that class or series; and
  - (j) transfer restrictions relating to such class or series of shares.
- 4.7** Any Preference Shares which have been redeemed (whether through the operation of a sinking fund or otherwise) or which, if convertible or exchangeable, have been

converted into or exchanged for shares of any other class or classes or series shall have the status of authorised and unissued Preference Shares of the same class or series and may be reissued as a part of the class or series of which they were originally a part or may be reclassified and reissued as part of a new class or series of Preference Shares to be created by resolution or resolutions of the Board or as part of any other class or series of Preference Shares, all subject to the conditions and the restrictions on issuance set forth in the resolution or resolutions adopted by the Board providing for the issue of any class or series of Preference Shares.

- 4.8** At the discretion of the Board and subject to the provisions of Section 2.3 hereof, whether or not in connection with the issuance and sale of any shares or other securities of the Company, the Company may issue securities, contracts, options, warrants or other instruments evidencing any shares, option rights, securities having conversion or option rights, or obligations on such terms, conditions and other provisions as are fixed by the Board, including, without limiting the generality of this authority, conditions that preclude or limit any person or persons owning or offering to acquire a specified number or percentage of the outstanding Common Shares, other shares, option rights, securities having conversion or option rights, or obligations of the Company or transferee of the person or persons from exercising, converting, transferring or receiving the shares, option rights, securities having conversion or option rights, or obligations.

## **5. Calls on Shares**

- 5.1** The Board may make such calls as it thinks fit upon the Members in respect of any monies (whether in respect of nominal value or premium) unpaid on the shares allotted to or held by such Members (and not made payable at fixed times by the terms and conditions of issue) and, if a call is not paid on or before the day appointed for payment thereof, the Member may at the discretion of the Board be liable to pay the Company interest on the amount of such call at such rate as the Board may determine, from the date when such call was payable up to the actual date of payment. The Board may differentiate between the holders as to the amount of calls to be paid and the times of payment of such calls.
- 5.2** Any sum which by the terms of allotment of a share becomes payable upon issue or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for all the purposes of these Bye-laws be deemed to be a call duly made and payable, on the date on which, by the terms of issue, the same becomes payable, and in case of non-payment all the relevant provisions of these Bye-laws as to payment of interest, costs, charges and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- 5.3** The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- 5.4** The Company may accept from any Member the whole or a part of the amount remaining unpaid on any shares held by him, although no part of that amount has been called up.

## **6. Prohibition on Financial Assistance**

The Company shall not give, whether directly or indirectly, whether by means of loan, guarantee, provision of security or otherwise, any financial assistance for the purpose of the acquisition or proposed acquisition by any person of any shares in the Company, but nothing in this Bye-law shall prohibit transactions permitted under the Act.

## **7. Forfeiture of Shares**

- 7.1** If any Member fails to pay, on the day appointed for payment thereof, any call in respect of any share allotted to or held by such Member, the Board may, at any time thereafter during such time as the call remains unpaid, direct the Secretary to forward such Member a notice in writing in the form, or as near thereto as circumstances admit, of the following:

**Notice of Liability to Forfeiture for Non-Payment of Call  
RAM Reinsurance Company Ltd. (the "Company")**

You have failed to pay the call of [amount of call] made on the [ ] day of [ ], 20[ ], in respect of the [number] share(s) [number in figures] standing in your name in the Register of Members of the Company, on the [ ] day of [ ], 20[ ], the day appointed for payment of such call. You are hereby notified that unless you pay such call together with interest thereon at the rate of [ ] per annum computed from the said [ ] day of [ ], 20[ ] at the registered office of the Company the share(s) will be liable to be forfeited.

Dated this [ ] day of [ ], 20[ ]

---

[Signature of Secretary] By Order of the Board

- 7.2** If the requirements of such notice are not complied with, any such share may at any time thereafter before the payment of such call and the interest due in respect thereof be forfeited by a resolution of the Board to that effect, and such share shall thereupon become the property of the Company and may be disposed of as the Board shall determine.
- 7.3** A Member whose share or shares have been forfeited as aforesaid shall, notwithstanding such forfeiture, be liable to pay to the Company all calls owing on such share or shares at the time of the forfeiture and all interest due thereon.
- 7.4** The Board may accept the surrender of any shares which it is in a position to consider forfeited on such terms and conditions as may be agreed. Subject to those terms and conditions, a surrendered share shall be treated as if it had been forfeited.

## **8. Share Certificates**

- 8.1** Every Member shall be entitled to a certificate under the seal of the Company (or a facsimile thereof) specifying the number and, where appropriate, the class of shares held by such Member and whether the same are fully paid up and, if not, how much has been paid thereon. The Board may by resolution determine, either generally or in a particular case, that any or all signatures on certificates may be printed thereon or affixed by mechanical means. Notwithstanding the provisions of Bye-law 65, the Board may determine that a share or other security certificate need not be signed (for the purposes of attestation of the seal) on behalf of the Company.
- 8.2** The Company shall be under no obligation to complete and deliver a share certificate unless specifically called upon to do so by the person to whom the shares have been allotted.
- 8.3** If any share certificate shall be proved to the satisfaction of the Board to have been worn out, lost, mislaid or destroyed, the Board may cause a new certificate to be issued and request an indemnity for such certificate if it sees fit.



**9. Fractional Shares**

The Company may issue its shares in fractional denominations and deal with such fractions to the same extent as its whole shares and shares in fractional denominations shall have in proportion to the respective fractions represented thereby all of the rights of whole shares including (but without limiting the generality of the foregoing) the right to vote, to receive dividends and distributions and to participate in a winding-up.

**REGISTRATION OF SHARES**

**10. Register of Members**

**10.1** The Board shall cause to be kept in one or more books a Register of Members and shall enter therein the particulars required by the Act.

**10.2** The Register of Members shall be open to inspection at the registered office of the Company on every business day, subject to such reasonable restrictions as the Board may impose, so that not less than two hours in each business day be allowed for inspection. The Register of Members may, after notice has been given in accordance with the Act, be closed for any time or times not exceeding in the whole thirty days in each year.

**11. Registered Holder Absolute Owner**

The Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not be bound to recognise any equitable claim or other claim to, or interest in, such share on the part of any other person.

**12. Transfer of Registered Shares**

**12.1** Subject to Bye-law 12.6, an instrument of transfer shall be in writing in the form of the following, or as near thereto as circumstances admit, or in such other form as the Board may accept:

**Transfer of a Share or Shares RAM  
Reinsurance Company Ltd. (the "Company")**

FOR VALUE RECEIVED.....[amount], I, [name of transferor] hereby sell, assign and transfer unto [transferee] of [address], [number] of shares of the Company.

DATED this [ ] day of [ ], 20[ ]

Signed by:

In the presence of:

\_\_\_\_\_  
Transferor

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Transferee

\_\_\_\_\_  
Witness

- 12.2 Such instrument of transfer shall be signed by or on behalf of the transferor and transferee, provided that, in the case of a fully paid share, the Board may accept the instrument signed by or on behalf of the transferor alone. The transferor shall be deemed to remain the holder of such share until the same has been transferred to the transferee in the Register of Members.
- 12.3 The Board may refuse to recognise any instrument of transfer unless it is accompanied by the certificate in respect of the shares to which it relates and by such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer.
- 12.4 The joint holders of any share may transfer such share to one or more of such joint holders, and the surviving holder or holders of any share previously held by them jointly with a deceased Member may transfer any such share to the executors or administrators of such deceased Member.
- 12.5 The Board may in its absolute discretion and without assigning any reason therefor refuse to register the transfer of a share which is not fully paid. The Board shall refuse to register a transfer unless all applicable consents, authorisations and permissions of any governmental body or agency in Bermuda have been obtained. If the Board refuses to register a transfer of any share the Secretary shall, within three months after the date on which the transfer was lodged with the Company, send to the transferor and transferee notice of the refusal.
- 12.6 Shares may be transferred without a written instrument if transferred by an appointed agent or otherwise in accordance with the Act.

### **13. Restrictions on Transfer**

- 13.1 The Board may decline to approve or register or permit the registration of any transfer of shares if it appears to the Board that any non-de minimis adverse tax, regulatory or legal consequences to the Company, any subsidiary of the Company, or any direct or indirect holder of shares or its Affiliates would result from such transfer.
- 13.2 The Board shall have the authority to request from any direct or indirect holder of shares, and such holder shall provide, such information as the Board may reasonably request for the purpose of determining whether any transfer contemplated by Bye-law 13.1 should be permitted. If such information is not provided, the Board may decline to approve or register such transfer.

### **14. Transmission of Registered Shares**

- 14.1 In the case of the death of a Member, the survivor or survivors where the deceased Member was a joint holder, and the legal personal representatives of the deceased Member where the deceased Member was a sole holder, shall be the only persons recognised by the Company as having any title to the deceased Member's interest in the shares. Nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by such deceased Member with other persons. Subject to the provisions of the Act, for the purpose of this Bye-law, legal personal representative means the executor or administrator of a deceased Member or such other person as the Board may, in its absolute discretion, decide as being properly authorised to deal with the shares of a deceased Member.
- 14.2 Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member may be registered as a Member upon such evidence as the Board may deem sufficient or may elect to nominate some person to be registered as a transferee of such share (*provided, however*, that no such person may be registered as a Member if the Board determines that any non-de minimis adverse tax, regulatory or legal

consequences to the Company, any subsidiary of the Company, or any direct or indirect holder of shares or its Affiliates would result from such transfer), and in such case the person becoming entitled shall execute in favour of such nominee an instrument of transfer in writing in the form, or as near thereto as circumstances admit, or such other form acceptable to the Board, of the following:

**Transfer by a Person Becoming Entitled on Death/Bankruptcy of a Member  
RAM Reinsurance Company Ltd. (the “Company”)**

I/We, having become entitled in consequence of the [death/bankruptcy] of [name and address of deceased Member] to [number] share(s) standing in the Register of Members of the Company in the name of the said [name of deceased/bankrupt Member] instead of being registered myself/ourselves, elect to have [name of transferee] (the “Transferee”) registered as a transferee of such share(s) and I/we do hereby accordingly transfer the said share(s) to the Transferee to hold the same unto the Transferee, his or her executors, administrators and assigns, subject to the conditions on which the same were held at the time of the execution hereof; and the Transferee does hereby agree to take the said share(s) subject to the same conditions.

DATED this [ ] day of [ ], 20[ ]

Signed by:

In the presence of:

\_\_\_\_\_  
Transferor

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Transferee

\_\_\_\_\_  
Witness

- 14.3** On the presentation of the foregoing materials to the Board, accompanied by such evidence as the Board may require to prove the title of the transferor, the transferee shall be registered as a Member. Notwithstanding the foregoing, the Board shall, in any case, have the same right to decline or suspend registration as it would have had in the case of a transfer of the share by that Member before such Member’s death or bankruptcy, as the case may be.
- 14.4** Where two or more persons are registered as joint holders of a share or shares, then in the event of the death of any joint holder or holders the remaining joint holder or holders shall be absolutely entitled to the said share or shares and the Company shall recognise no claim in respect of the estate of any joint holder except in the case of the last survivor of such joint holders.

**ALTERATION OF SHARE CAPITAL**

**15. Power to Alter Capital**

- 15.1** In addition to the authority of the Board to create, issue and redeem classes, sub-classes and series of shares as described in these Bye-laws, the Company may increase, divide, consolidate, subdivide, change the currency denomination of, diminish or otherwise alter or reduce its share capital in any manner permitted by and in accordance with the Act and the Board is so authorised to so alter or reduce the Company’s share capital by and in accordance with the Act.
- 15.2** Where, on any alteration or reduction of share capital, fractions of shares or some other difficulty would arise, the Board may deal with or resolve the same in such manner as it thinks fit; provided that in the determination of the Board any such action does not result in any non-de minimis adverse tax, regulatory or legal consequences to the Company, any subsidiary of the Company, or any direct or indirect holder of shares or its Affiliates.

## **16. Variation of Rights Attaching to Shares**

- 16.1** If, at any time, the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound-up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a resolution passed by a majority of the votes cast at a separate general meeting of the holders of the shares of the class. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith or having different restrictions. Further, the rights attaching to any shares shall be deemed not to be altered by the creation or issue of any share ranking in priority for payment of a dividend or in respect of capital or which confer on the holder thereof voting rights more favorable than those conferred by such shares.
- 16.2** The Company shall not vary the rights attaching to any class of shares if the Board determines that any non-de minimis adverse tax, regulatory or legal consequences to the Company, any subsidiary of the Company, or any direct or indirect holder of shares or its Affiliates would result from such variation.

## **DIVIDENDS AND CAPITALISATION**

### **17. Dividends**

- 17.1** The Board may, subject to these Bye-laws and in accordance with the Act, declare a dividend to be paid to the Members, in proportion to the number of shares held by them, and such dividend may be paid in cash or wholly or partly in specie in which case the Board may fix the value for distribution in specie of any assets. No unpaid dividend shall bear interest as against the Company unless otherwise expressly provided for.
- 17.2** The Board may fix any date as the record date for determining the Members entitled to receive any dividend.
- 17.3** The Company may pay dividends in proportion to the amount paid up on each share where a larger amount is paid up on some shares than on others.
- 17.4** The Board may declare and make such other distributions (in cash or in specie) to the Members as may be lawfully made out of the assets of the Company. No unpaid distribution shall bear interest as against the Company unless otherwise expressly provided for.

### **18. Power to Set Aside Profits**

The Board may, before declaring a dividend, set aside out of the surplus or profits of the Company, such sum as it thinks proper as a reserve to be used to meet contingencies or for equalising dividends or for any other purpose.

### **19. Method of Payment**

- 19.1** Any dividend or other monies payable in respect of a share may be paid by cheque or warrant sent through the post directed to the registered address of the Members (in the case of joint Members, the senior joint holder, seniority being determined by the order in which the names stand in the Register of Members) or person entitled thereto, or by direct transfer to such bank account as such Member or person entitled thereto may direct. Every such cheque shall be made payable to the order of the person to whom it is sent or to such persons as the Member may direct, and payment of the

cheque or warrant shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby. If two or more persons are registered as joint holders of any shares any one of them can give an effectual receipt for any dividend paid in respect of such shares.

- 19.2** The Board may deduct from the dividends or distributions payable to any Member all monies due from such Member to the Company on account of calls or otherwise.
- 19.3** Any dividend and or other monies payable in respect of a share which has remained unclaimed for six years from the date when it became due for payment shall, if the Board so resolves, be forfeited and cease to remain owing by the Company. The payment of any unclaimed dividend or other moneys payable in respect of a share may (but need not) be paid by the Company into an account separate from the Company's own account. Such payment shall not constitute the Company a trustee in respect thereof.
- 19.4** The Company shall be entitled to cease sending dividend warrants and cheques by post or otherwise to a Member if those instruments have been returned undelivered to, or left uncashed by, that Member on at least two consecutive occasions, or, following one such occasion, reasonable enquiries have failed to establish the Member's new address. The entitlement conferred on the Company by this Bye-law 19.4 in respect of any Member shall cease if the Member claims a dividend or cashes a dividend warrant or cheque.

## **20. Capitalisation**

- 20.1** The Board may resolve to capitalise any sum for the time being standing to the credit of any of the Company's share premium or other reserve accounts or to the credit of the profit and loss account or otherwise available for distribution by applying such sum in paying up unissued shares to be allotted as fully paid bonus shares pro-rata (except in connection with the conversion of shares of one class to shares of another class) to the Members.
- 20.2** The Board may resolve to capitalise any sum for the time being standing to the credit of a reserve account or sums otherwise available for dividend or distribution by applying such amounts in paying up in full partly paid or nil paid shares of those Members who would have been entitled to such sums if they were distributed by way of dividend or distribution.

## **MEETINGS OF MEMBERS**

### **21. Annual General Meetings**

The annual general meeting of the Company shall be held in each year (other than the year of incorporation) at such time and place as the President or the Chairman or any two Directors or any Director and the Secretary or the Board shall appoint. No annual general meeting shall take place in the United States.

### **22. Special General Meetings**

The President or the Chairman or the Board may convene a special general meeting of the Company whenever in their judgment such a meeting is necessary. No special general meeting shall take place in the United States.

## **23. Requisitioned General Meetings and Member Proposals**

- 23.1** The Board shall, on the requisition of Members holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up share capital of the Company as at the date of the deposit carries the right to vote at general meetings of the Company, forthwith proceed to convene a special general meeting of the Company and the provisions of the Act shall apply.
- 23.2** Subject to any other requirements of applicable law, if a Member desires to submit a proposal for consideration at an annual general meeting or special general meeting, the provisions of the Act shall apply and written notice of such Member's intent to make such a proposal must be given and received by the Secretary at the principal executive offices or registered office of the Company not later than (i) with respect to an annual general meeting of Members, not less than one hundred and twenty (120) calendar days before the anniversary of the date of the Company's proxy statement released to Members in connection with the previous year's annual meeting, and (ii) with respect to a special general meeting, the close of business on the tenth (10th) day following the date on which notice of such meeting is first sent or given to the Members. Each notice shall describe the proposal in sufficient detail for a proposal to be summarized on the agenda for the meeting and shall set forth (i) the name and address, as it appears in the Register of Members, of the Member who intends to make the proposal; (ii) a representation that the Member is a holder of record of shares of the Company entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to present such proposal; and (iii) the class and number of shares of the Company which are beneficially owned by the Member. In addition, the notice shall set forth the reasons for conducting such proposed business at the meeting and any material interest of the Member in such business.
- 23.3** The chairman of the annual general meeting or special general meeting shall, if the facts warrant, refuse to acknowledge a proposal not made in compliance with the foregoing procedure, and shall refuse to acknowledge any matters which are not the subject of a valid notice made by a Member pursuant to Bye-law 23.2, and any such proposal not properly brought before the meeting shall not be considered.

## **24. Notice**

- 24.1** At least five days' notice of an annual general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held and that the election of Directors will take place thereat.
- 24.2** At least five days' notice of a special general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, time, place and the general nature of the business to be considered at the meeting.
- 24.3** The Board may fix any date as the record date for determining the Members entitled to receive notice of and to vote at any general meeting of the Company.
- 24.4** A general meeting of the Company shall, notwithstanding that it is called on shorter notice than that specified in these Bye-laws, be deemed to have been properly called if it is so agreed by (i) all the Members entitled to attend and vote thereat in the case of an annual general meeting; and (ii) by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the shares giving a right to attend and vote thereat in the case of a special general meeting.
- 24.5** The accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.



## **25. Giving Notice**

- 25.1** A notice may be given by the Company to any Member either by delivering it to such Member in person or by sending it to such Member's address in the Register of Members or to such other address given for the purpose. For the purposes of this Bye-law, a notice may be sent by letter mail, courier service, cable, telex, telecopier, facsimile, electronic mail or other mode of representing words in a legible form.
- 25.2** Any notice required to be given to a Member shall, with respect to any shares held jointly by two or more persons, be given to whichever of such persons is named first in the Register of Members and notice so given shall be sufficient notice to all the holders of such shares.
- 25.3** Save as provided by Bye-law 25.4, any notice shall be deemed to have been served at the time when the same would be delivered in the ordinary course of transmission and, in proving such service, it shall be sufficient to prove that the notice was properly addressed and prepaid, if posted, and the time when it was posted, delivered to the courier or to the cable company or transmitted by telex, facsimile, electronic mail or such other method as the case may be.
- 25.4** Mail notice shall be deemed to have been served seven days after the date on which it is deposited, with postage prepaid, in the mail of any member state of the European Union, the United States or Bermuda.
- 25.5** The Company shall be under no obligation to send a notice or other document to the address shown for any particular Member in the Register of Members if the Board considers that the legal or practical problems under the laws of, or the requirements of any regulatory body or stock exchange in, the territory in which that address is situated are such that it is necessary or expedient not to send the notice or document concerned to such Member at such address and may require a Member with such an address to provide the Company with an alternative acceptable address for delivery of notices by the Company.

## **26. Postponement of General Meeting**

The Chairman or the President may, and the Secretary on instruction from the Chairman or the President shall, postpone or cancel any general meeting called in accordance with the provisions of these Bye-laws (other than a meeting requisitioned under these Bye-laws) provided that notice of postponement or cancellation is given to each Member before the time for such meeting. Fresh notice of the date, time and place for a postponed meeting shall be given to the Members in accordance with the provisions of these Bye-laws.

## **27. Attendance and Security at General Meetings**

- 27.1** Members may participate in any general meeting by such telephonic or electronic means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting; *provided, however*, that no Member may participate in any general meeting while that Member (or, if any Member is not an individual, its representative by which it will participate in the meeting) is physically present in the United States.
- 27.2** The Board may, and at any general meeting, the chairman of such meeting may, make any arrangement and impose any requirement or restriction it or he considers appropriate to ensure the security of a general meeting including, without limitation, requirements for evidence of identity to be produced by those attending the meeting, the searching of their personal property and the restriction of items that may be taken into the meeting place. The Board and, at any general meeting, the chairman of such meeting are entitled to refuse entry to a person who refuses to comply with any such arrangements, requirements or restrictions.

## **28. Quorum at General Meetings**

- 28.1** At any general meeting of the Company two persons or more present in person at the start of the meeting and representing in person or by proxy shares carrying in excess of 50% of the voting power of all the outstanding shares of the Company throughout the meeting shall form a quorum for the transaction of business.
- 28.2** If within half an hour from the time appointed for the meeting a quorum is not present, then, in the case of a meeting convened on a requisition, the meeting shall be deemed cancelled and, in any other case, the meeting shall stand adjourned to the same day one week later, at the same time and place or to such other day, time or place as the Secretary may determine. If the meeting shall be adjourned to the same day one week later or the Secretary shall determine that the meeting is adjourned to a specific date, time and place, it is not necessary to give notice of the adjourned meeting other than by announcement at the meeting being adjourned. If the Secretary shall determine that the meeting be adjourned to an unspecified date, time or place, fresh notice of the resumption of the meeting shall be given to each Member entitled to attend and vote thereat in accordance with the provisions of these Bye-laws.

## **29. Chairman to Preside**

Unless otherwise agreed by a majority of those attending and entitled to vote thereat, the Chairman, if there be one, and if not the President, shall act as chairman at all meetings of the Members at which such person is present. In their absence, the Deputy Chairman or Vice President, if present, shall act as chairman and in the absence of all of them a chairman shall be appointed or elected by those present at the meeting and entitled to vote.

## **30. Voting on Resolutions**

- 30.1** Subject to the provisions of the Act and these Bye-laws, any question proposed for the consideration of the Members at any general meeting shall be decided by the affirmative votes of a majority of the votes cast in accordance with the provisions of these Bye-laws and in the case of an equality of votes the resolution shall fail.
- 30.2** No Member shall be entitled to vote at a general meeting unless such Member has paid all the calls on all shares held by such Member.

- 30.3** At any general meeting, if an amendment shall be proposed to any resolution under consideration and the chairman of the meeting shall rule on whether the proposed amendment is out of order, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling.
- 30.4** At any general meeting, a declaration by the chairman of the meeting that a question proposed for consideration has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in a book containing the minutes of the proceedings of the Company shall, subject to the provisions of these Bye-laws, be conclusive evidence of that fact.
- 30.5** In the event that a Member participates in a general meeting by telephone or electronic means, the chairman of the meeting shall direct the manner in which such Member may cast his vote on a show of hands.

### **31. Voting by Poll**

- 31.1** At any general meeting, a resolution put to the vote of the meeting or any question proposed for the consideration of the Members shall, in the first instance, be voted upon by poll, subject to any rights or restrictions for the time being lawfully attached to any class or series of shares.
- 31.2** In accordance with Bye-law 31.1, subject to any rights or restrictions for the time being lawfully attached to any class or series of shares, every person present at such meeting shall have one vote for each voting share of which such person is the holder or for which such person holds a proxy and such votes shall be counted in the manner set out in Bye-law 31.4, or in the case of a general meeting at which one or more Members are present by telephone or electronic or other communication facilities, in such manner as the chairman of the meeting may direct. A person entitled to more than one vote need not use all of his votes or cast all the votes he uses in the same way. The result of such poll shall be deemed to be the resolution of the meeting at which the poll was taken and, for the avoidance of doubt shall replace any previous resolution upon the same matter which may have been the subject of a vote on a show of hands.
- 31.3** A poll taken in accordance with Bye-law 31.1 on a question of adjournment shall be taken forthwith and a poll taken on any other question shall be taken in such manner and at such time and place at such meeting as the chairman (or acting chairman) of the *general* meeting may direct and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.
- 31.4** Where a vote is taken by poll, each person physically present and entitled to vote shall be furnished with a ballot paper on which such person shall record his vote in such manner as shall be determined at the meeting having regard to the nature of the question on which the vote is taken, and each ballot paper shall be signed or initialled or otherwise marked so as to identify the voter and the registered holder in the case of a proxy. Each person present by telephone or electronic means shall cast his vote in such manner as the chairman shall direct. At the conclusion of the poll, the ballot papers and votes cast in accordance with such directions shall be examined and counted by an inspector of election appointed by the chairman for the purpose and the result of the poll shall be declared by the chairman.

### **32. Voting by Joint Holders of Shares**

In the case of joint holders, the vote of the senior who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members.

### **33. Instrument of Proxy**

- 33.1** A Member may appoint a proxy by (a) an instrument appointing a proxy for a particular meeting of the Members or for all meetings of the Members for a certain or determinable period or until revocation of such appointment in writing in substantially the following form or such other form as the Board may determine from time to time or accept:

**Proxy**  
**RAM Reinsurance Company Ltd. (the “Company”)**

I/We, [insert names here], being a Member of the Company with [number] shares, HEREBY APPOINT [name] of [address] or failing him, [name] of [address] to be my/our proxy to vote for me/us at the meeting of the Members held on the [ ] day of [ ], 20[ ] and at any adjournment thereof. (Any restrictions on voting to be inserted here.)

Signed this [ ] day of [ ], 20[ ]

\_\_\_\_\_

Member(s)

or (b) such telephonic, electronic or other means as may be approved by the Board from time to time.

- 33.2** The appointment of a proxy must be received by the Company at the registered office or at such other place or in such manner as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting at which the person named in the appointment proposes to vote, and an appointment of proxy which is not received in the manner so permitted shall be invalid.
- 33.3** A Member who is the holder of two or more shares may appoint more than one proxy in respect of his shares to represent him and vote on his behalf.
- 33.4** The decision of the chairman of any general meeting as to the validity of any appointment of a proxy shall be final.

### **34. Representation of Corporate Member**

- 34.1** A corporation which is a Member may, by written instrument, authorise such person or persons as it thinks fit to act as its representative at any meeting of the Members or for all meetings of the Members or for all meetings of the Members for a certain or determinable period or until revocation of such authorisation in writing and any person so authorised shall be entitled to exercise the same powers on behalf of the corporation which such person represents as that corporation could exercise if it were an individual Member, and that Member shall be deemed to be present in person at any such meeting attended by its authorised representative or representatives.
- 34.2** Notwithstanding the foregoing, the chairman of the meeting may accept such assurances as he thinks fit as to the right of any person to attend and vote at general meetings on behalf of a corporation which is a Member.

### **35. Adjournment of General Meeting**

The chairman of any general meeting at which a quorum is present may with the consent of a majority in number of those present, (and shall if so directed by a

majority in number of those present), adjourn the meeting. Unless the meeting is adjourned to a specific date, place and time announced at the meeting being adjourned, fresh notice of the date, place and time for the resumption of the adjourned meeting shall be given to each Member entitled to attend and vote thereat in accordance with the provisions of these Bye-laws.

### **36. Written Resolutions**

- 36.1** Subject to the following, anything which may be done by resolution of the Company in general meeting or by resolution of a meeting of any class of the Members may, without a meeting and without any previous notice being required, be done by resolution in writing signed by, or in the case of a Member that is a corporation whether or not a company within the meaning of the Act, on behalf of, all the Members who at the date of the resolution would be entitled to attend the meeting and vote on the resolution.
- 36.2** A resolution in writing may be signed by, or in the case of a Member that is a corporation whether or not a company within the meaning of the Act, on behalf of, all the Members, or all the Members of the relevant class thereof, in as many counterparts as may be necessary.
- 36.3** A resolution in writing made in accordance with this Bye-law is as valid as if it had been passed by the Company in general meeting or by a meeting of the relevant class of Members, as the case may be (provided that any such resolution shall be valid only if (i) the signature of the last Member to sign is affixed outside the United States, and (ii) the Board has not determined that the use of a resolution in writing would result in a non-de minimis adverse tax, regulatory or legal consequence to the Company, any subsidiary of the Company, or any direct or indirect holder of shares or its Affiliates), and any reference in any Bye-law to a meeting at which a resolution is passed or to Members voting in favour of a resolution shall be construed accordingly.
- 36.4** A resolution in writing made in accordance with this Bye-law shall constitute minutes for the purposes of the Act.
- 36.5** This Bye-law shall not apply to (i) a resolution passed to remove an Auditor from office before the expiration of his term of office; or (ii) a resolution passed to remove a Director from office before the expiration of his term of office.
- 36.6** For the purposes of this Bye-law, the date of the resolution is the date when the resolution is signed by, or in the case of a Member that is a corporation whether or not a company within the meaning of the Act, on behalf of, the last Member to sign and any reference in any Bye-law to the date of passing of a resolution is, in relation to a resolution made in accordance with this Bye-law, a reference to such date.

### **37. Directors Attendance at General Meetings**

The Directors of the Company shall be entitled to receive notice of, attend and be heard at any general meeting.

## **CERTAIN SUBSIDIARIES**

### **38. Certain Subsidiaries**

- 38.1** Notwithstanding any other provision of these Bye-laws to the contrary, if the Company is required or entitled to vote at a general meeting of any non United States direct subsidiary of the Company, the Board shall refer the subject matter of the vote to the Members of the Company at a general meeting and seek direction from the Members for the Company's corporate representative or proxy to vote in favour of or against the

resolution proposed by the subsidiary or to abstain from voting on the resolution. The Board shall cause the Company's corporate representative or proxy to vote the Company's shares in the subsidiary pro rata to the votes received at the general meeting of the Company, with votes for or against the directing resolution being taken, respectively, as an instruction for the Company's corporate representative or proxy to vote the appropriate proportion of its shares for and the appropriate proportion of its shares against the resolution proposed by the subsidiary or to abstain from voting on the resolution.

- 38.2** The Board shall require that the Bye-laws or Articles of Association, or similar organizational documents, of each direct subsidiary of the Company organized under the laws of a jurisdiction outside the United States shall contain provisions substantially similar to this Bye-law 38. The Company shall enter into agreements, as and when determined by the Board, with each such subsidiary, as reasonably necessary and permitted under applicable law, to effectuate or implement this Bye-law 38.

## **DIRECTORS AND OFFICERS**

### **39. Election of Directors**

- 39.1** The Board shall consist of such number of Directors being not less than ~~4~~ 5 Directors and not more than ~~15~~ 11 Directors as the Board may from time to time determine.
- 39.2** Only persons who are proposed or nominated in accordance with this Bye-law shall be eligible for election as Directors. Any Member or the Board may propose any persons for election as a Director. Where any person, other than a Director retiring at the meeting or a person proposed for re-election or election as a Director by the Board, is to be proposed for election as a Director, notice must be given to the Company of the intention to propose him and of his willingness to serve as a Director. That notice must be given not less than 90 days before the anniversary of the last annual general meeting prior to the giving of the notice or not less than 10 days prior to the meeting at which Directors are to be elected, whichever deadline occurs earlier. In addition, such notice shall set forth (a) as to each individual whom such Member proposes to nominate for election as a Director, (i) the name, age, business address and residence address of such individual, (ii) the principal occupation or employment of such individual, (iii) the class and number of shares of the Company which are beneficially owned by such individual and (iv) any other information relating to such individual that is required to be disclosed in solicitations of proxies with respect to nominees for election as Directors pursuant to Regulation 14A under the Exchange Act (including, without limitation, such individual's written consent to being named as a nominee in the Company's proxy statement delivered to Members in connection with the annual general meeting at which the individual is to be nominated and to serving as Director, if elected); and (b) as to the Member giving the notice (i) the name and address, as they appear on the Register of Members, of such Member, (ii) the class and number of shares which are beneficially owned by such Member, and (iii) the period of time such shares have been owned.
- 39.3** Where the number of persons validly proposed for re-election or election as a Director is greater than the number of Directors to be elected, the persons receiving the most votes (up to the number of Directors to be elected) shall be elected as Directors, and an absolute majority of the votes cast shall not be a prerequisite to the election of such Directors.
- 39.4** At any general meeting the Members may authorise the Board to fill any vacancy in their number left unfilled at a general meeting.
- 39.5** Notwithstanding the foregoing in accordance with the provisions of Section 6(c) of the Class B Preference Share Certificate of Designation, in the event that the Company



has failed to pay dividends in full on the Class B Preference Shares or funds sufficient to pay such dividends in full shall not have been deposited with the Auction Agent (as such term is defined in the Class B Preference Share Certificate of Designation) for eighteen consecutive months, the number of Directors of the Board shall automatically be increased by two (subject to the consent of the Members) and the holders of any Contingent Capital Preference Shares (as such term is defined in the Class B Preference Share Certificate of Designation), voting as a single class, shall be entitled to fill the vacancies so created by electing two additional Directors (the “Contingent Capital Preference Share Directors”). The meeting to elect the Contingent Capital Preference Share Directors shall be held no more than sixty days after the last day of any eighteen consecutive month period during which the Company fails to pay dividends on the Class B Preference Shares. The term of the Contingent Capital Preference Share Directors shall cease upon the Company paying dividends in full on, or the redemption in full of, the Class B Preference Shares and, at such time, the Contingent Capital Preference Share Directors will cease to serve on the Board without any further action on the part of the Board or any holders of Contingent Capital Preference Shares.

#### **40. Term of Office of Directors**

A Director shall hold office until the next annual general meeting, subject to his office being vacated pursuant to Bye-law 43.

#### **41. Alternate Directors**

- 41.1** At any general meeting of the Company, the Members may elect a person or persons to act as a Director in the alternative to any one or more Directors of the Company or may authorise the Board to appoint such Alternate Directors.
- 41.2** Unless the Members otherwise resolve, any Director may appoint a person or persons to act as a Director in the alternative to himself by notice in writing deposited with the Secretary. Any person so elected or appointed shall have all the rights and powers of the Director or Directors for whom such person is appointed in the alternative provided that such person shall not be counted more than once in determining whether or not a quorum is present.
- 41.3** An Alternate Director shall be entitled to receive notice of all meetings of the Board and to attend and vote at any such meeting at which a Director for whom such Alternate Director was appointed in the alternative is not personally present and generally to perform at such meeting all the functions of such Director for whom such Alternate Director was appointed.
- 41.4** An Alternate Director shall cease to be such if the Director for whom such Alternate Director was appointed ceases for any reason to be a Director but may be re-appointed by the Board as an alternate to the person appointed to fill the vacancy in accordance with these Bye-laws.

#### **42. Removal of Directors**

- 42.1** A Director may be removed from the office of Director before the expiry of his term by resolution passed at any general meeting of the Members but only for Cause by the affirmative vote of Members holding at least a majority of the total combined voting power of all of the issued and outstanding shares of the Company; provided that the notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention so to do and be served on such Director not less

than 14 days before the meeting and at such meeting the Director shall be entitled to be heard on the motion for such Director's removal.

**42.2** A vacancy on the Board created by the removal of a Director under this Bye-law may be filled by the affirmative vote of Members holding at least a majority of the total combined voting power of all of the issued and outstanding shares of the Company; provided, that any such vacancy shall be filled within 28 days after the occurrence of such vacancy. A Director so elected shall hold office until the next annual general meeting or until such Director's office is otherwise vacated.

**42.3** If a Director is removed from the Board under the provisions of this Bye-law the Members may fill the vacancy at the meeting at which such director is removed. In the absence of such election or appointment, the Board may fill the vacancy in accordance with Bye-law 43.

### **43. Vacancy in the Office of Director**

**43.1** Subject to Bye-law 42.3, the Board shall have the power from time to time and at any time, by the affirmative vote of at least a majority of the Directors then in office, to appoint any person as a Director to fill a vacancy on the Board occurring as the result of the death, disability, disqualification, resignation or any other cause set forth in Bye-law 43.2 of any Director; provided, that such vacancy shall be filled within 28 days after the occurrence of such vacancy. A Director so appointed shall hold office until the next annual general meeting or until such Director's office is otherwise vacated.

**43.2** The office of Director shall be vacated if the Director:

- (a) is removed from office pursuant to these Bye-laws or is prohibited from being a Director by law;
- (b) is or becomes bankrupt, or makes any arrangement or composition with his creditors generally;
- (c) is or becomes of unsound mind or dies;
- (d) resigns his office by notice in writing to the Company; or
- (e) that is otherwise employed by the Company resigns from such other employment or ceases to be so employed.

### **44. Remuneration of Directors**

**44.1** The remuneration and other benefits (if any) of the Directors shall be determined by the Board, including without limitation participation in any share option or incentive plan, and shall be deemed to accrue from day to day. The Directors may also be paid all travel, hotel and other expenses properly incurred by them in attending and returning from the meetings of the Board, any committee appointed by the Board, general meetings of the Company, or in connection with the business of the Company or their duties as Directors generally.

**44.2** A Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director for such period on such terms as to remuneration and otherwise as the Board may determine.

**44.3** The Board may award special remuneration and benefits to any Director undertaking any special work or services for, or undertaking any special mission on behalf of, the Company other than his or her ordinary routine work as a Director. Any fees paid to a Director who is also counsel or attorney to the Company, or otherwise serves it in a professional capacity, shall be in addition to his or her remuneration as a Director.

#### **45. Defect in Appointment of Director**

All acts done in good faith by the Board or by a committee of the Board or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.

#### **46. Directors to Manage Business**

**46.1** The business of the Company shall be managed and conducted by the Board. The Board may exercise all such powers of the Company as are not, by statute or by these Bye-laws, required to be exercised by the Company in general meeting subject, nevertheless, to these Bye-laws, the provisions of any statute and to such directions as may be prescribed by the Company in general meeting. The Board may also present any petition and make any application in connection with the liquidation or reorganisation of the Company.

**46.2** Subject to these Bye-laws, the Board may delegate to any company, firm, person or body of persons any power of the Board (including the power to sub-delegate).

#### **47. Powers of the Board of Directors**

**47.1** The Board may exercise all such powers of the Company as are not, by statute or by these Bye-laws, required to be exercised by the Company in general meeting subject, nevertheless, to these Bye-laws, the provisions of any statute and to such directions as may be prescribed by the Company in general meeting. The Board may also present any petition and make any application in connection with the liquidation or reorganisation of the Company. The Board may:

- (a) appoint, suspend or remove any manager, secretary, clerk, agent or employee of the Company and may fix their remuneration and determine their duties;
- (b) exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and may issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or any third party;
- (c) appoint one or more Directors to the office of Managing Director or Chief Executive Officer of the Company, who shall, subject to the control of the Board, supervise and administer all of the general business and affairs of the Company;
- (d) appoint a person to act as manager of the Company's day-to-day business or any part thereof (and the Board may appoint more than one manager as manager of different parts of the Company's business) and entrust to and confer upon such manager such powers and duties as he deems appropriate for the transaction or conduct of such business;
- (e) by power of attorney, appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Board, to be an attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board) and for such period and subject to such conditions as it may think fit and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions so vested in the attorney. Such attorney may, if so authorised under the seal of the Company, execute any deed or instrument under such attorney's personal seal with the same effect as the affixation of the seal of the Company;

- (f) procure that the Company pays all expenses incurred in promoting and incorporating the Company;
- (g) delegate any of its powers to a committee appointed by the Board (including the power to sub-delegate) which may consist partly or entirely of Directors or non-Directors provided that every such committee shall conform to such directions as the Board shall impose of them and provided further that the meetings and proceedings of any such committee shall be governed by the provisions of these Bye-laws regulating the meetings and proceedings of the Board, so far as the same are applicable and are not superceded by directions imposed by the Board;
- (h) in connection with the issue of any share, pay such commission and brokerage as may be permitted by law; and
- (i) authorise any company, firm, person or body of persons to act on behalf of the Company for any specific purpose and in connection therewith to execute any agreement, document or instrument on behalf of the Company.

**48. Register of Directors and Officers**

The Board shall cause to be kept in one or more books at the registered office of the Company a Register of Directors and Officers and shall enter therein the particulars required by the Act.

**49. Officers**

The Officers shall consist of a President and a Vice President or a Chairman and a Deputy Chairman, a Secretary and such additional Officers as the Board may determine all of whom shall be deemed to be Officers for the purposes of these Bye-laws.

**50. Appointment of Officers**

The Board shall appoint a President and Vice President or a Chairman and Deputy Chairman who shall be Directors. The Secretary (and additional Officers, if any) shall be appointed by the Board from time to time.

**51. Duties of Officers**

The Officers shall have such powers and perform such duties in the management, business and affairs of the Company as may be delegated to them by the Board from time to time.

**52. Remuneration of Officers**

The Officers shall receive such remuneration as the Board may determine.

**53. Conflicts of Interest**

- 53.1** Any Director may hold any other office or place of profit under the Company, and any Director, or any Director's firm, partner or any company with whom any Director is associated, may act in any capacity for the Company and such Director or such Director's firm, partner or company shall be entitled to remuneration for services or work as if such Director were not a Director. Nothing herein contained shall authorise a Director or Director's firm, partner or company to act as Auditor to the Company.
- 53.2** A Director who is directly or indirectly interested in a contract or proposed contract or arrangement with the Company shall declare the nature of such interest as required by the Act.

**53.3** Following a declaration being made pursuant to this Bye-law, and unless disqualified by the chairman of the relevant Board meeting, a Director may vote in respect of any contract or proposed contract or arrangement in which such Director is interested and may be counted in the quorum for such meeting.

**54. Indemnification and Exculpation of Directors and Officers**

**54.1** The Directors, Secretary, other Officers (such term to include, for the purposes of Bye-laws 54 and 54A, any person appointed to any committee by the Board) and the Resident Representative for the time being acting in relation to any of the affairs of the Company and the liquidator or trustees (if any) for the time being acting in relation to any of the affairs of the Company and every one of them, and their heirs, executors and administrators, shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses (including, but not limited to, liabilities under contract, tort and statute or any applicable foreign law or regulation and all reasonable legal and other costs and expenses properly payable) which they or any of them, their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, or in their respective offices or trusts, and none of them shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto; PROVIDED THAT this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of the said persons.

**54.2** No Director, Secretary, other Officer or Resident Representative and no liquidator or trustee of the Company for the time being acting in relation to any of the affairs of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer or other person, or for any loss or expense incurred by the Company through the insufficiency or deficiency of title to any property acquired by the Board for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the monies of the Company is invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any monies, securities or effects is deposited, or for any loss occasioned by an error of judgment, omission, default or oversight on his or her part, or for any other loss, damage or misfortune whatever which shall happen in relation to the execution of the duties of his or her office, or in relation thereto, unless the same happens through fraud or dishonesty on his or her part.

**54.3** Each Director, Secretary, other Officer and the Resident Representative and the liquidator or trustee (if any) of the Company, and his or her heirs, executors and administrators, shall be indemnified out of the assets of the Company against all liabilities, losses, costs and expenses which he or she or any of his or her heirs, executors or administrators, incur or may incur or sustain, by or by reason of any act, by such person, or other person or a collective of persons (including, without limitation the Board) or by the Company, done, concurred in or omitted in or about the execution of his, her or their duty, or supposed duty, or in his, her or their respective offices or trusts, in defending or appearing or giving evidence in any proceedings (such term to include, for the purposes of this Bye-law, threatened proceedings, investigations and enquiries, whether by a regulatory authority, prosecutions authority or otherwise), whether civil or criminal, including where allegations of fraud and dishonesty are made

against such Director or other person, and the Company shall pay to or on behalf of such Director or any other person any and all funds associated in defending or appearing or giving evidence in such proceedings (including without limitation independent representation and counseling by an attorney or other professional selected by such Director or other person covered) as and when such liabilities, losses, costs and expenses are incurred; PROVIDED THAT in the event of a finding of fraud or dishonesty (as found in a final judgment or decree not subject to appeal), such Director or other person shall reimburse to the Company all funds paid by the Company in respect of liabilities, losses, costs and expenses of defending such proceedings.

**54.4** The provisions of this Bye-law 54 shall apply to, and for the benefit of, any person acting as (or with the reasonable belief that he or she will be appointed or elected as) a Director, Secretary, other Officer, the Resident Representative, or liquidator or trustee in the reasonable belief that he or she has been so appointed or elected notwithstanding any defect in such appointment or election and to any person who is no longer, but at one time was, a Director, Secretary, other Officer, Resident Representative or liquidator or trustee of the Company.

**54.5** The Company may purchase and maintain insurance for the benefit of any Director or Officer against any liability incurred by him under the Act in his capacity as a Director or Officer or indemnifying such Director or Officer in respect of any loss arising or liability attaching to him by virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which the Director or Officer may be guilty in relation to the Company or any subsidiary thereof.

#### **54.A Waiver of Claim by the Company and Members**

**54A.1** The Company and each Member agree to waive any claim or right of action the Company or such Member might have, whether individually or by or in the right of the Company, against any Director, Secretary, other Officer, Resident Representative or liquidator or trustee of the Company on account of any action taken by such director or other such person, or the failure of such Director or other person to take any action, in the performance of his or her duties with or for the Company; PROVIDED, THAT such waiver shall not extend to any matter in respect of any fraud or dishonesty which may attach to such director or other person.

**54A.2** The provisions of this Bye-law 54A shall apply to, and for the benefit of, any person acting as (or with the reasonable belief that he or she will be appointed or elected as) a Director, Secretary, other Officer, the Resident Representative, or liquidator or trustee in the reasonable belief that he or she has been so appointed or elected notwithstanding any defect in such appointment or election and to any person who is no longer, but at one time was, a Director, Secretary, other Officer, Resident Representative or liquidator or trustee of the Company.

### **MEETINGS OF THE BOARD OF DIRECTORS**

#### **55. Board Meetings**

The Board may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit. A resolution put to the vote at a meeting of the Board shall be carried by the affirmative votes of a majority of the votes cast and in the case of an equality of votes the resolution shall fail.

#### **56. Notice of Board Meetings**

A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Board. Notice of a meeting of the Board shall be deemed to



be duly given to a Director if, at least seven days prior to such meeting, it is given to such Director verbally (in person or by telephone) or otherwise communicated or sent to such Director by post, facsimile, electronic means or other mode of representing words in visible form at such Director's last known address or in accordance with any other instructions given by such Director to the Company for this purpose; *provided, however*, that a Director may consent to a shorter notice period orally or in writing before the commencement of the meeting.

**57. Electronic participation in Meetings**

Directors may participate in any meeting by such telephonic or electronic means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting; *provided, however*, that no Director may participate in any meeting while that Director is physically present in the United States.

**58. Quorum at Board Meetings**

The quorum necessary for the transaction of business at a meeting of the Board may be fixed by the Board from time to time and, unless so fixed at any other number, shall be a simple majority of the entire Board at the time of the meeting (provided that such quorum shall not be less than two individuals in accordance with the Act).

**59. Board to Continue in the Event of Vacancy**

The Board may act notwithstanding any vacancy in its number but, if and so long as its number is reduced below the number fixed by or in accordance with these Bye-laws as the quorum necessary for the transaction of business at meetings of the Board, the continuing Directors or Director may act for the purpose of (i) summoning a general meeting of the Company; or (ii) preserving the assets of the Company.

**60. Chairman to Preside**

Unless otherwise agreed by a majority of the Directors attending, the Chairman, if there be one, and if not the President, shall act as chairman at all meetings of the Board at which such person is present. In their absence the Deputy Chairman or Vice President, if present, shall act as chairman and in the absence of all of them a chairman shall be appointed or elected by the Directors present at the meeting.

**61. Written Resolutions**

A resolution signed by all the Directors, which may be in counterparts, shall be as valid as if it had been passed at a meeting of the Board duly called and constituted, such resolution to be effective on the date on which the last Director signs the resolution, provided that any such resolution shall be valid only if (i) the signature of the last Director to sign is affixed outside the United States, and (ii) the Board has not determined that the use of a resolution in writing would result in a non-de minimis adverse tax, regulatory or legal consequence to the Company, any subsidiary of the Company, or any direct or indirect holder of shares or its Affiliates. For the purposes of this Bye-law only, "Director" shall not include an Alternate Director. Such resolution shall be deemed to be adopted, as an act of the Board, at the place where, and at the time when, the signature of the last Director to sign is affixed thereto.

## **62. Validity of Prior Acts of the Board**

No regulation or alteration to these Bye-laws made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation or alteration had not been made.

## **CORPORATE RECORDS**

### **63. Minutes**

- 63.1** The Board shall cause minutes to be duly entered in books provided for the purpose:
- (a) of all elections and appointments of Officers;
  - (b) of the names of the Directors present at each meeting of the Board and of any committee appointed by the Board; and
  - (c) of all resolutions and proceedings of general meetings of the Members, meetings of the Board, and meetings of committees appointed by the Board.

### **64. Place Where Corporate Records Kept**

Minutes prepared in accordance with the Act and these Bye-laws shall be kept by the Secretary at the registered office of the Company.

### **65. Form and Use of Seal**

- 65.1** The seal of the Company shall be in such form as the Board may determine. The Board may adopt one or more duplicate seals.
- 65.2** Subject to Bye-law 8.1, the seal of the Company shall not be affixed to any instrument except attested by the signature of a Director and the Secretary or any two Directors, or any person appointed by the Board for that purpose, provided that any Director, Officer or Resident Representative may affix the seal of the Company attested by such Director, Officer or Resident Representative's signature to any authenticated copies of these Bye-laws, the incorporating documents of the Company, the minutes of any meetings or any other documents required to be authenticated by such Director, Officer or Resident Representative.

### **66. Member Access to Records**

Any Member, in person or by attorney or other agent, shall, upon written demand under oath stating the purpose thereof, have the right during the usual hours for business to inspect for any proper purpose, and to make copies and extracts from: (a) the Register of Members (as set forth in Bye-law 10) and its other books and records; and (b) the books and records of any subsidiary, to the extent that the Company has actual possession and control of such records of such subsidiary. In every instance where the Member is other than a registered holder of the Company's shares, the demand under oath shall state the person's status as a Member, be accompanied by documentary evidence of beneficial ownership of the shares and state that such documentary evidence is a true and correct copy of what it purports to be. A proper purpose shall mean a purpose reasonably related to such person's interest as a Member. In every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing which authorises the attorney or other agent to so act on behalf of the Member. The demand under oath shall be directed to the Company at its principal place of business.

## ACCOUNTS

### 67. Books of Account

- 67.1** The Board shall cause to be kept proper records of account with respect to all transactions of the Company and in particular with respect to:
- (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure relates;
  - (b) all sales and purchases of goods by the Company; and
  - (c) all assets and liabilities of the Company.
- 67.2** Such records of account shall be kept at the registered office of the Company, or subject to the provisions of the Act, at such other place as the Board thinks fit and shall be available for inspection by the Directors during normal business hours.

### 68. Financial Year End

The financial year end of the Company may be determined by resolution of the Board and failing such resolution shall be 31st December in each year.

## AUDITS

### 69. Annual Audit

Subject to any rights to waive laying of accounts or appointment of an Auditor pursuant to the Act, the accounts of the Company shall be audited at least once in every year.

### 70. Appointment of Auditors

- 70.1** Subject to the provisions of the Act, at the annual general meeting or at a subsequent special general meeting in each year, an independent representative of the Members shall be appointed by them as Auditor of the accounts of the Company.
- 70.2** The Auditor may be a Member but no Director, Officer or employee of the Company shall, during his continuance in office, be eligible to act as an Auditor of the Company.

### 71. Remuneration of Auditors

The remuneration of the Auditor shall be fixed by the Company in general meeting or in such manner as the Members may determine.

### 72. Duties of Auditors

- 72.1** The financial statements provided for by these Bye-laws shall be audited by the Auditor in accordance with generally accepted auditing standards. The Auditor shall make a written report thereon in accordance with generally accepted auditing standards.
- 72.2** The generally accepted auditing standards referred to in this Bye-law may be those of a country or jurisdiction other than Bermuda or such other generally accepted auditing standards as may be provided for in the Act. If so, the financial statements and the report of the Auditor shall identify the generally accepted auditing standards used.

**73. Access to Records**

The Auditor shall at all reasonable times have access to all books kept by the Company and to all accounts and vouchers relating thereto, and the Auditor may call on the Directors or Officers of the Company for any information in their possession relating to the books or affairs of the Company.

**74. Financial Statements**

Subject to any rights to waive laying of accounts pursuant to the provisions of the Act, financial statements as required by the Act shall be laid before the Members in general meeting.

**75. Distribution of Auditors Report**

The report of the Auditor shall be submitted to the Members in general meeting.

**76. Vacancy in the Office of Auditor**

If the office of Auditor becomes vacant by the resignation or death of the Auditor, or by the Auditor becoming incapable of acting by reason of illness or other disability at a time when the Auditor's services are required, the vacancy thereby created shall be filled in accordance with the Act.

**BUSINESS COMBINATIONS**

**77. Business Combinations**

- 77.1** Subject to Bye-law 77.2, the Company shall not engage in any Business Combination unless such Business Combination has been approved by a resolution of the Members by the affirmative votes of the holders of not less than 66% of the voting power of the Company.
- 77.2** Bye-law 77.1 shall not apply in respect of any Business Combination approved by the Board, and in respect of any Business Combination approved by the Board which the Act requires to be approved by the Members, the necessary general meeting quorum and Members' approval shall be as set out in Bye-laws 28 and 30 respectively.
- 77.3** In this Bye-law, "Business Combination" means:
- (a) any amalgamation, merger, consolidation or similar transaction involving the Company, other than any such transaction in which the Members as of immediately prior to such transaction hold, directly or indirectly, as of immediately following such transaction voting securities of the resulting, surviving or continuing entity representing a majority of all outstanding voting securities of such entity;
  - (b) any sale or transfer by the Company, in a single transaction or series of related transactions, to one person or a group (as defined in Rule 13d-3 of the Exchange Act) of securities representing a majority of the voting power of the Company; or
  - (c) any sale or other disposition of all or substantially all of the assets of the Company or of all or substantially all of the assets of any company or other entity in the Group in a single transaction or a series of related transactions, not being in connection with that company's insurance or reinsurance business.

## **VOLUNTARY WINDING-UP AND DISSOLUTION**

### **78. Winding-Up**

If the Company shall be wound up the liquidator may, with the sanction of a resolution of the Members, divide amongst the Members in specie or in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in the trustees upon such trusts for the benefit of the Members as the liquidator shall think fit, but so that no Member shall be compelled to accept any shares or other securities or assets whereon there is any liability.

## **CHANGES TO CONSTITUTION**

### **79. Changes to Bye-laws**

- 79.1** Subject to Bye-laws 79.2 and 79.3, no Bye-law shall be rescinded, altered or amended and no new Bye-law shall be made until the same has been approved by a resolution of the Board and by a resolution of Members.
- 79.2** Bye-laws 40, 42, 77, and 79 shall not be rescinded, altered or amended and no new Bye-law shall be made which would have the effect of rescinding, altering or amending the provisions of such Bye-laws, until the same has been approved by a resolution of the Board including the affirmative vote of not less than 66% per cent of the Directors then in office and by a resolution of the Members including the affirmative vote of not less than 66% per cent of the voting power of the Company.
- 79.3** Bye-law 30.1 shall not be rescinded, altered or amended and no new Bye-law shall be made which would have the effect of rescinding, altering or amending the provisions of such Bye-law, until the same has been approved by a resolution of the Board and by a resolution of the Members including the affirmative vote of at least a majority of the voting power of shares entitled to vote at a meeting of Members.

### **80. Discontinuance**

The Board may exercise all the powers of the Company to discontinue the Company to a jurisdiction outside Bermuda pursuant to the Act.