

Flagstone Reinsurance Holdings Ltd  
Form DEF 14A  
April 16, 2008

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to 240.14a-12

Flagstone Reinsurance Holdings Limited  
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
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PROXY STATEMENT  
Flagstone Reinsurance Holdings Limited  
Crawford House  
23 Church Street  
Hamilton HM 11, Bermuda

ANNUAL GENERAL MEETING – May 16, 2008

April 16, 2008

To the Shareholders of Flagstone Reinsurance Holdings Limited:

You are cordially invited to attend the Annual General Meeting of your company to be held at 8:30 a.m. local time on Friday, May 16, 2008 at The Pink Beach Club, South Shore Road, Smith's, Bermuda.

A report of the current affairs of Flagstone Reinsurance Holdings Limited will be presented at the Annual General Meeting and shareholders will have an opportunity for questions and comments.

We request that you complete, sign, and mail the enclosed form of proxy in the enclosed business reply envelope, whether or not you plan to physically attend the Annual General Meeting.

The attached proxy statement (the "Proxy Statement"), the attached Notice of Annual General Meeting and the accompanying proxy card are first being mailed to shareholders on or about April 16, 2008.

Sincerely yours,

/s/ David A. Brown

David A. Brown  
Chief Executive Officer

Flagstone Reinsurance Holdings Limited  
Crawford House  
23 Church Street  
Hamilton HM 11, Bermuda

NOTICE OF ANNUAL GENERAL MEETING  
To be held on May 16, 2008

NOTICE IS HEREBY GIVEN that the Annual General Meeting of shareholders of Flagstone Reinsurance Holdings Limited (the "Company" or "we") will be held on Friday, May 16, 2008, at 8:30 a.m. local time for the following purposes:

1. To elect four (4) Class B directors to hold office until the 2011 Annual General Meeting of shareholders or until their respective successors have been duly elected.
2. To approve the appointment of Deloitte & Touche to serve as the Company's independent auditor for the fiscal year 2008 until our 2009 Annual General Meeting and to refer the determination of the auditor's remuneration to the Board of Directors.
3. To approve amendments to the Performance Share Unit Plan.
4. To approve the list of Designated Company Directors for certain subsidiaries of the Company.

In addition, we will consider any other business as may properly come before the 2008 Annual General Meeting or any adjournment(s) thereof. The Company's audited financial statements for the fiscal year ended December 31, 2007 will be presented at the 2008 Annual General Meeting. At the Annual General Meeting, shareholders may also be asked to consider and take action with respect to such other matters as may properly come before the Annual General Meeting or any adjournment(s) thereof.

The Board of Directors has fixed the close of business April 1, 2008 as the record date for the determination of shareholders entitled to notice of, and to vote at, the Annual General Meeting. This Proxy Statement, the Notice of Annual General Meeting, the accompanying proxy card, the Annual Report and Form 10-K for year ended December 31, 2007 are first being mailed to shareholders on or about April 16, 2008. Although the Annual Report and Proxy Statement are being mailed together, the Annual Report should not be deemed to be part of the Proxy Statement.

Shareholders are encouraged to complete, sign, date and return the enclosed proxy card in the return envelope furnished for that purpose. Please sign the accompanying proxy card exactly as your name appears on your share certificate(s). Signing and returning a proxy card will not prohibit you from attending the 2008 Annual General Meeting. If you later decide to revoke your proxy for any reason, you may do so in the manner described in the attached Proxy Statement.

By order of the Board of Directors.

/s/ Jean-Paul Dyer

Jean-Paul Dyer  
Corporate Secretary  
Hamilton, Bermuda

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GENERAL INFORMATION

Persons Making the Solicitation

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

Persons Entitled to Vote and Voting Procedures

The Board of Directors has set April 1, 2008 as the record date for the Annual General Meeting. If you were an owner of our common shares at the close of business on that date, you are entitled to notice of, and may vote at, the Annual General Meeting.

As of April 1, 2008, 85,316,924 common shares were issued and outstanding. The presence, in person or by proxy, of holders of more than 50% of the common shares outstanding and entitled to vote on the matters to be considered at the Annual General Meeting is required to constitute a quorum for the transaction of business at the Annual General Meeting. Holders of common shares are entitled to vote on each matter to be voted upon by the shareholders at the Annual General Meeting in accordance with the voting rights afforded under bye-laws 4 and 30 of the Company.

If you are entitled to vote at the Annual General Meeting, you may do so in person at the Annual General Meeting or by proxy without attending the meeting. To vote by proxy, you must fill out the enclosed proxy card, date and sign it, and return it in the enclosed postage-paid envelope. If you receive more than one proxy card, sign and return each proxy card in order to ensure that all of your shares are voted.

If no instructions are provided in an executed proxy, it will be voted "FOR" each of the proposals, and, as to any other business as may properly come before the Annual General Meeting, in accordance with the proxyholder's judgment as to such business.

Broker non-votes occur when nominees, such as banks and brokers holding shares on behalf of beneficial owners, do not receive voting instructions from the beneficial holders at least ten days before the Annual General Meeting. Member brokerage firms of The New York Stock Exchange, Inc. that hold shares in street name for beneficial owners may, to the extent that such beneficial owners do not furnish voting instructions with respect to any or all proposals submitted for shareholder action, vote in their discretion upon all of the proposals. Any broker non-votes and abstentions will not be counted as shares present in connection with proposals with respect to which they are not voted.

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



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Solicitation and Revocation

In accordance with our bye-laws the nominees for election as directors at the Annual General Meeting who receive the highest number of "FOR" votes will be elected as directors. This is called plurality voting. All common shares represented by properly executed proxies that are returned and not revoked will be voted in accordance with the instructions, if any, given thereon. Unless you indicate otherwise on your proxy card, or if no instructions are given, the persons named as your proxies will vote your shares "FOR" all the nominees for director named in this Proxy Statement. All other proposals require the affirmative "FOR" vote of a majority of those shares present at the meeting and entitled to vote on the proposal. A hand vote will be taken unless a poll is requested pursuant to the bye-laws. You may revoke your voted proxy at any time prior to the Annual General Meeting or vote in person if you attend.

The Company will bear the cost of this solicitation of proxies. Solicitation may be made by our directors, officers and employees personally, by telephone, internet or otherwise, but such persons will not be specifically compensated for such services. We may also make, through bankers, brokers or other persons, a solicitation of proxies of beneficial holders of the common shares. Upon request, we will reimburse brokers, dealers, banks or similar entities acting as nominees for reasonable expenses incurred in forwarding copies of the proxy materials relating to the Annual General Meeting to the beneficial owners of common shares which such persons hold of record.

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## OUR DIRECTORS AND EXECUTIVE OFFICERS

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

Name	Age	Positions
Mark J. Byrne	46	Executive Chairman of the Board of Directors
David A. Brown	50	Chief Executive Officer, Deputy Chairman and Director
James O'Shaughnessy	44	Chief Financial Officer
Gary Prestia	46	Chief Underwriting Officer—North America
Guy Swayne	44	Chief Underwriting Officer—International
Gary Black	62	Director
Stephen Coley	63	Director
Thomas Dickson	45	Director
Stewart Gross	48	Director
E. Daniel James	43	Director
Dr. Anthony Knap	58	Director
Marc Roston	39	Director
Jan Spiering	56	Director
Wray T. Thorn	42	Director
Peter F. Watson	65	Director

The Board of Directors consists of twelve (12) directors and is divided into three equal classes (A, B and C). At each Annual General Meeting, certain directors shall be elected or appointed for a full three-year term to succeed those whose terms expire at such meeting. Each director shall hold office for the term for which he is elected or until his successor is elected or appointed or until his office is otherwise vacated.

## Class B Directors with terms expiring at the 2008 Annual General Meeting

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

Thomas Dickson has been a director since December 2005. Mr. Dickson is Chief Executive Officer and Founder of Meetinghouse LLC, a private firm that provides investment advisory and management services and advice and support to management for underwriting, ratings, capital management and actuarial functions. Mr. Dickson currently serves as President and Chief Executive Officer of Haverford Capital Partners (Cayman) Limited ("HCP"), a private equity fund specializing in investments in insurance, reinsurance and specialty finance started in August 2005. Mr. Dickson served as President and Chief Executive Officer of The Centre Group and as its Chief Underwriting Officer. At the time, The Centre Group held assets in excess of \$9 billion and capital in excess of \$1 billion. He joined The Centre Group at the time of its establishment in 1988 and, prior to assuming responsibilities as Chief Underwriting Officer, served in a variety of business production and underwriting capacities in Bermuda and New

York. Mr. Dickson holds a bachelor's degree with honors from Stanford University and a Masters Degree from the Johns Hopkins School of Advanced International Studies.

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Jan Spiering has been a director since December 2005. From February 1979 to June 2002, Mr. Spiering served as a member of Ernst & Young, becoming the Chairman and Managing Partner of Ernst & Young Bermuda. During his tenure at Ernst & Young, Mr. Spiering was a member of the firm's Global Advisory Counsel, founding member of the International Investment Committee, and was Chairman of the firm's Offshore Fund's Group. He retired from Ernst & Young in 2002, and currently serves on the board of directors for WP Stewart & Co Ltd. and various private companies. Mr. Spiering is a Fellow of the Institute of Chartered Accountants in England & Wales and the Institute of Chartered Accountants of Bermuda and is a Member of the Canadian Institute of Chartered Accountants.

Wray T. Thorn has been a director since October 2006. Mr. Thorn is the Managing Director of Private Equity at Marathon Asset Management, LLC, a global alternative investment and asset management company with over \$7.5 billion in capital, where he has worked since June 2005. In his current role, Mr. Thorn provides private equity capital to companies to support management buyout transactions, acquisition and expansion strategies, growth programs, shareholder transitions and financial restructurings. Prior to joining Marathon, Mr. Thorn spent a total of 12 years working on, sponsoring, and financing private equity transactions, acquisitions and capital markets transactions at Fox Paine & Company, Dubilier & Company, where he was a principal and founding member, and the Acquisition Finance Group of Chemical Bank. He is a graduate of Harvard University with an A.B. in Government, cum laude.

Class A Directors with terms expiring at the 2009 Annual General Meeting

Mark J. Byrne has been our Executive Chairman since October 2005. Mr. Byrne also serves as Chairman of Haverford (Bermuda) Ltd. ("Haverford"), an affiliate of the Company due to common ownership (see "Certain Relationships and Related Transactions" below), and Chairman of Island Heritage Holdings Ltd. ("Island Heritage"), an indirect majority-owned subsidiary of the Company. Mr. Byrne founded Flagstone Capital Management (Bermuda) Limited (formerly known as West End Capital Management (Bermuda) Limited and referred to herein as "Flagstone Capital Management"), a wholly-owned subsidiary of the Company, in 1998. Prior to starting Flagstone Capital Management, Mr. Byrne served as Managing Director at Credit Suisse First Boston, responsible for Global Fixed Income Arbitrage in London and Tokyo. Mr. Byrne also held management positions at PIMCO and Salomon Brothers and has 20 years experience in the fixed income and derivative business. Mr. Byrne has invested at early stages in several insurance companies and has served on the boards of directors of several insurance companies, including three public companies: White Mountains Insurance Group Ltd., Terra Nova Bermuda Holding Ltd. and Markel Corp. He holds a Bachelors degree from Dartmouth College and an MBA from the Tuck School of Business at Dartmouth.

Stewart Gross has been a director since January 2006. Mr. Gross is a Managing Director and member of the Investment Committee of Lightyear Capital, a private equity firm investing in companies in the financial services industry. Prior to joining Lightyear in April 2005, Mr. Gross spent 17 years at Warburg Pincus where he was a Managing Director and member of the Executive Management Group. Mr. Gross has been a primary investor in many highly successful companies, including RenaissanceRe Holdings Ltd. Mr. Gross is currently a director of BEA Systems, Inc., SkillSoft Corporation, and several private companies. Mr. Gross received an A.B., magna cum laude, from Harvard College and an M.B.A. from Columbia Business School where he was elected to Beta Gamma Sigma.

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E. Daniel James has been a director since December 2005. Mr. James is a senior manager of the Merchant Banking Group and a managing director of Lehman Brothers Inc. He joined the Lehman Brothers Merchant Banking Group in 1995. Prior to joining the Merchant Banking Group, he was a member of the Lehman Brothers M&A Group, based in London and New York. In 1988, Mr. James joined Lehman Brothers' Financial Institutions Group. He is currently a director of Blount International, Inc. and Phoenix Brands LLC. He holds a B.A. in chemistry, with honors, from the College of the Holy Cross.

Marc Roston, Ph.D., has been a director since December 2005. Mr. Roston has been a Senior Portfolio Manager, Chair of the Investment Committee and head of the New York office at Silver Creek Capital Management since 2004. His responsibilities include portfolio strategy, investment research and due diligence. From 2000 to 2004, Mr. Roston was an investment manager with McKinsey & Company in New York and, prior to that, an equity portfolio manager at J.P. Morgan Investment Management. Mr. Roston holds a Ph.D. in economics from the University of Chicago and a B.S. from Carnegie Mellon University.

Class C Directors with terms expiring at the 2010 Annual General Meeting

David Brown has served as Chief Executive Officer of Flagstone since October 2005. Mr. Brown is also a director of Island Heritage, an indirect majority-owned subsidiary of the Company. From September 2003 until October 2005, Mr. Brown served as the Chief Executive Officer of Haverford and as the Chief Operating Officer of Flagstone Capital Management, a wholly-owned subsidiary of the Company. Mr. Brown joined Centre Solutions (Bermuda) Limited ("Centre Solutions") in 1993, and was its President and Chief Executive Officer at the time of his retirement in 1998. Prior to joining Centre Solutions, Mr. Brown was a Partner with Ernst & Young in Bermuda. Mr. Brown is the non-executive Chairman of the Bermuda Stock Exchange and a Director and Trustee for the Schroder Family Trusts. Mr. Brown led the team which analyzed, structured and negotiated the acquisition of Merastar Insurance Company