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

**FORM 8-K**

**CURRENT REPORT**  
**Pursuant to Section 13 or 15(d) of the**  
**Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): January 31, 2007

**Enstar Group Limited**

(Exact name of registrant as specified in its charter)

Bermuda (State or other jurisdiction of incorporation)	(Commission File Number)	N/A (IRS Employer Identification No.)
P.O. Box HM 2267, Windsor Place, 3rd Floor 18 Queen Street, Hamilton HM JX Bermuda (Address of principal executive offices)		N/A (Zip Code)

Registrant's telephone number, including area code: (441) 292-3645

Castlewood Holdings Limited

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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ITEM 1.01. ENTRY INTO MATERIAL DEFINITIVE AGREEMENTS.

In connection with the completion of the merger described in Item 2.01 below (the “Merger”), on January 31, 2007, Enstar Group Limited (formerly Castlewood Holdings Limited) (“Castlewood”) entered into a Registration Rights Agreement with certain of its shareholders identified as signatories thereto (the “Registration Rights Agreement”). The Registration Rights Agreement provides that, after the expiration of one year from the date of the Registration Rights Agreement, any of Trident II, L.P. (“Trident”) and certain of its affiliates, J. Christopher Flowers and Dominic F. Silvester may require that Castlewood effect the registration under the Securities Act of 1933, as amended (the “Securities Act”) of all or any part of such holder’s registrable securities. Trident and its affiliates are entitled to make three requests and Messrs. Flowers and Silvester are each entitled to make two requests. The Registration Rights Agreement further provides that, after the expiration of 90 days from the date of the Registration Rights Agreement and prior to the first anniversary of such date, Trident has the right to require Castlewood to effect the registration of up to 750,000 shares of registrable securities. A description of the terms and conditions of the Registration Rights Agreement is set forth on pages 77 to 79 of the proxy statement/prospectus included in Castlewood’s Registration Statement on Form S-4 (File No. 333-135699) (the “Registration Statement”) declared effective by the Securities and Exchange Commission (the “SEC”) on December 15, 2006; however, such description does not purport to be complete and is qualified in its entirety by reference to the Registration Rights Agreement attached hereto as Exhibit 10.1, which is incorporated herein by reference.

Also on January 31, 2007 and in connection with the Merger, Castlewood entered into Indemnification Agreements with each of Dominic F. Silvester, Paul J. O’Shea, Nicholas A. Packer, J. Christopher Flowers, John J. Oros, Nimrod T. Frazer, Gregory L. Curl, Paul J. Collins, T. Wayne Davis and T. Whit Armstrong. Each individual is a member of Castlewood’s board of directors and Messrs. Silvester, O’Shea, Packer and Oros are also executive officers of Castlewood.

Each Indemnification Agreement provides, among other things, that Castlewood will, to the extent permitted by applicable law, indemnify and hold harmless each indemnitee if, by reason of such indemnitee’s status as a director or officer of the Company, such indemnitee was, is or is threatened to be made a party or participant in any threatened, pending or completed proceeding, whether of a civil, criminal, administrative, regulatory or investigative nature, against all judgments, fines, penalties, excise taxes, interest and amounts paid in settlement and incurred by such indemnitee in connection with such proceeding. In addition, each of the Indemnification Agreements provides for the advancement of expenses incurred by the indemnitee in connection with any proceeding covered by the agreement, subject to certain exceptions. None of the Indemnification Agreements precludes any other rights to indemnification or advancement of expenses to which the indemnitee may be entitled, including but not limited to, any rights arising under Castlewood’s governing documents, or any other agreement, any vote of the shareholders of Castlewood or any applicable law.

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The above description of the Indemnification Agreements does not purport to be complete and is qualified in its entirety by reference to the Indemnification Agreements attached hereto as Exhibits 10.2 through 10.11, which are incorporated herein by reference.

### ITEM 2.01. COMPLETION OF ACQUISITION.

On January 31, 2007, Castlewood completed the merger (the “Merger”) of CWMS Subsidiary Corp., a Georgia corporation and wholly-owned subsidiary of Castlewood (“CWMS”), with and into The Enstar Group, Inc., a Georgia corporation (“Enstar”), in accordance with an Agreement and Plan of Merger (the “Merger Agreement”) by and among Castlewood, CWMS and Enstar. As a result of the Merger, Enstar, renamed Enstar USA, Inc., is now a direct wholly-owned subsidiary of Castlewood.

Prior to the Merger, Enstar owned an approximately 32% economic interest and 50% voting interest in Castlewood. Each of J. Christopher Flowers, John J. Oros, Nimrod T. Frazer and Cheryl D. Davis, officers and/or directors of Enstar, served as directors of Castlewood prior to the Merger. In addition, prior to the Merger, certain employees of Castlewood owned, directly or indirectly, a total of 115,139 shares of Enstar’s common stock, including 110,230 shares of common stock owned by Dominic Silvester, the Chief Executive Officer and a director, of Castlewood.

In the Merger, holders of shares of Enstar common stock received one ordinary share of Castlewood for each share of Enstar common stock they owned immediately prior to the closing of the Merger. The aggregate consideration paid to former Enstar shareholders consisted of 5,739,384 ordinary shares of Castlewood. Prior to the Merger, Enstar paid a special dividend of \$3.00 per share to its common stockholders of record on January 16, 2007.

Each outstanding option to purchase shares of Enstar common stock granted under the Enstar stock plans prior to the Merger was assumed by Castlewood and converted into an option to purchase ordinary shares of Castlewood. The per share exercise price of each new option will be set at a ratio to the trading price of the ordinary shares of Castlewood immediately following the closing of the Merger that equals the ratio of the exercise price of the corresponding Enstar stock option to the trading price of the shares of Enstar common stock immediately prior to the closing of the merger. The number of Castlewood ordinary shares underlying the new option will be set so that the aggregate spread value of the new option approximately equals the spread value of the former Enstar stock option.

Each restricted stock unit issued under Enstar’s Deferred Compensation and Stock Plan for Non-employee Directors that was outstanding immediately prior to the closing of the Merger will automatically convert from a right in respect of a share of Enstar common stock into a right in respect of one ordinary share of Castlewood.

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The ordinary shares of Castlewood issued in the Merger were registered under the Securities Act, pursuant to the Registration Statement. Pursuant to Rule 12g-3(c) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the ordinary shares of Castlewood are deemed registered under Section 12(b) of the Exchange Act. Ordinary shares of Castlewood have been approved for listing on the Nasdaq Global Select Market and are expected to begin trading under the symbol "ESGR" on February 1, 2007. The description of ordinary shares of Castlewood contained under the captions "Description of New Enstar's Share Capital — Ordinary Shares, — Non-Voting Convertible Ordinary Shares, — Preferred Shares, — Change of Control and Related Provisions of New Enstar's Memorandum of Association and Bye-Laws, — Limitation on Voting Power of Shares, — Restrictions on Transfer, — Unissued Shares, — Classified Board of Directors, Vacancies and Removal of Directors, — Other Bye-Law Provisions" in the proxy statement/prospectus included in the Registration Statement is incorporated by reference herein.

Enstar's common stock was registered pursuant to Section 12(b) of the Exchange Act and listed on the Nasdaq Global Select Market. Enstar has delisted its common stock from the Nasdaq Global Select Market and will file a Form 15 with the SEC to terminate its registration under the Exchange Act of its common stock.

In addition, immediately prior to the closing of the Merger, Castlewood completed a recapitalization pursuant to the terms set forth in that certain Recapitalization Agreement dated May 23, 2006, by and among Castlewood, Enstar, Trident and certain other shareholders of Castlewood (the "Recapitalization Agreement"). In connection with the recapitalization, Castlewood: (1) exchanged all of its outstanding shares for ordinary shares of Castlewood, (2) designated the initial Board of Directors of Castlewood immediately following the Merger; (3) repurchased certain shares of Castlewood held by Trident and its affiliates; (4) made payments totaling \$5,076,000 to certain of Castlewood's executive officers and employees, which payments are intended to provide the recipients with a cash incentive to remain with Castlewood following the Merger; and (5) purchased, through its wholly-owned subsidiary, Castlewood Limited, the shares of B.H. Acquisition Ltd., a Bermuda company, held by an affiliate of Trident. The Recapitalization Agreement restricts the transfer by the shareholders party thereto of ordinary shares of Castlewood received in the recapitalization for one year, subject to certain exceptions. The directors of Enstar, all of whom are now directors of Castlewood, have agreed to similar transfer restrictions on the ordinary shares of Castlewood that they received in the Merger. Pursuant to a prior agreement, Castlewood also has agreed to repurchase from two directors of Enstar, Messrs. T. Whit Armstrong and T. Wayne Davis, upon their request, during a 30-day period commencing January 15, 2007, at the then prevailing market price, such number of ordinary shares of Castlewood as provides an amount sufficient for Mr. Armstrong and Mr. Davis to pay taxes on compensation income resulting from the exercise of options by them on May 23, 2006 for 50,000 shares of Enstar common stock in the aggregate. Castlewood's obligation to repurchase ordinary shares is limited to 25,000 ordinary shares from each of Mr. Armstrong and Mr. Davis.

A copy of the joint press release announcing the completion of the Merger is attached to this Form 8-K as Exhibit 99.1 and is incorporated herein by reference.

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ITEM 5.02. APPOINTMENT OF EXECUTIVE CHAIRMAN

In connection with the Merger, Castlewood and its subsidiary, Castlewood (US) Inc., entered into an employment agreement with John J. Oros, a member of Castlewood's board of directors. Pursuant to the agreement, Mr. Oros will serve as Executive Chairman of Castlewood.

The employment agreement with Mr. Oros has an initial five-year term and, after the initial term ends, renews for additional one-year periods unless any party gives prior written notice to terminate the agreement. As compensation for his services, Mr. Oros will (1) receive a base salary of \$282,500, (2) be eligible for incentive compensation under Castlewood's incentive compensation programs and (3) will be entitled to certain employee benefits, including, a housing allowance, a life insurance policy in the amount of five times his base salary, medical, dental and long-term disability insurance, and payment of an amount equal to 10% of his base salary each year to his retirement savings plan.

The agreement with Mr. Oros also provides that if Mr. Oros' employment is terminated during the term of the agreement by Castlewood without "cause" or by Mr. Oros for "good reason" (in addition to accrued but unpaid compensation), (1) Mr. Oros would be entitled to receive a lump sum amount equal to three times the base salary payable to him and medical benefits for Mr. Oros and his spouse and dependents for three years; (2) each outstanding equity incentive award granted to Mr. Oros before, on or within three years after the merger will become immediately vested and exercisable on the date of termination and (3) if, for the year in which Mr. Oros' employment is terminated, Castlewood achieves the performance goals established in accordance with any incentive plan in which he participates, Castlewood will pay an amount equal to the bonus that he would have received had he been employed by Castlewood for the full year. If there is a change of control of Castlewood during the term of the employment agreement and Mr. Oros' employment is terminated within one year after such change of control by Castlewood without "cause" or by Mr. Oros for "good reason," Mr. Oros will be entitled to the compensation described in the preceding sentence and each outstanding equity incentive award granted to him after the merger (regardless of whether granted within three years after the merger) will become immediately vested and exercisable on the date of termination.

For purposes of the Mr. Oros' employment agreement, "cause" generally means:

- fraud or dishonesty in connection with Mr. Oros' employment that results in a material injury to Castlewood;
  - conviction of any felony or crime involving fraud or misrepresentation;
  - Mr. Oros' failure to perform his employment-related duties; or
  - material and continuing failure to follow reasonable instructions of Castlewood's board of directors.
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For purposes of the Mr. Oros' employment agreement, "good reason" means:

- material breach of Castlewood's obligations under the agreements;
- relocation of Mr. Oros' principal business office in Bermuda without his prior agreement; or
- any material reduction in Mr. Oros' duties or authority.

Under the terms of Mr. Oros' employment agreement, Mr. Oros agrees not to compete with Castlewood for the term of the employment agreement and, if his employment with Castlewood is terminated before the end of the initial five-year term, for a period of 18 months after his termination of employment.

A copy of Mr. Oros' employment agreement is attached hereto as Exhibit 10.12 and is incorporated herein by reference.

Mr. Oros, 59, has served as a director of Enstar since March of 2000. Mr. Oros was named to the position of Executive Vice President of Enstar in March of 2000 and on June 6, 2001, Mr. Oros was named President and Chief Operating Officer. Before joining Enstar, Mr. Oros was an investment banker at Goldman, Sachs & Co. in the Financial Institutions Group. Mr. Oros joined Goldman, Sachs & Co. in 1980 and was made a General Partner in 1986. Mr. Oros resigned from Goldman, Sachs & Co. in March 2000 to join Enstar. In February 2006, Mr. Oros became a Managing Director of J.C. Flowers & Co. LLC, which serves as investment advisor to J.C. Flowers II L.P., a newly-formed private equity fund. Mr. Oros has been a director of Castlewood since 2001.

A complete description of transactions involving Castlewood and/or Enstar and Mr. Oros is set forth in "Certain Relationships and Related Transactions — Castlewood" and "Certain Relationships and Related Transactions — Enstar" on pages 182 through 185 of the proxy statement/prospectus included in the Registration Statement, which description is incorporated herein by reference.

### ITEM 5.03. AMENDMENT TO MEMORANDUM OF ASSOCIATION AND BYE-LAWS.

In connection with the transactions contemplated by the Recapitalization Agreement, immediately prior to the closing of the Merger, Castlewood formally changed its name to "Enstar Group Limited" and its Second Amended and Restated Bye-Laws became effective. A copy of Castlewood's Second Amended and Restated Bye-Laws is attached hereto as Exhibit 3.1. The name change and the Second Amended and Restated Bye-Laws were adopted and approved by Castlewood's shareholders in connection with their adoption and approval of the transactions contemplated by the Recapitalization Agreement.

### ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

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### (a) Financial Statements of Business Acquired:

The audited consolidated balance sheets of Enstar as of December 31, 2005 and December 31, 2004 and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of shareholders' equity and consolidated statements of cash flows for each of the fiscal years ended December 31, 2005, December 31, 2004, and December 31, 2003, and the independent registered public accounting firm's report related thereto are incorporated herein by reference from Enstar's Annual Report on Form 10-K/A for the fiscal year ended December 31, 2005.

The unaudited consolidated balance sheet of Enstar as of September 30, 2006 and the condensed consolidated statements of earnings, condensed consolidated statements of comprehensive income, condensed consolidated statements of shareholders' equity and condensed consolidated statements of cash flows for the three- and nine-month periods ended September 30, 2006 are incorporated herein by reference from Enstar's Quarterly Report on Form 10-Q for the quarter ended September 30, 2006.

### (b) Pro Forma Financial Information:

The unaudited pro forma condensed combined financial statements of Castlewood and Enstar as of and for the year ended December 31, 2006 and as of September 30, 2006 and for the nine-month period then ended are incorporated herein by reference to the proxy statement/prospectus that forms a part of the Registration Statement.

### (d) Exhibits.

- 2.1 Agreement and Plan of Merger, dated as of May 23, 2006, as amended on November 21, 2006, by and among Castlewood Holdings Limited, CWMS Subsidiary Corp. and The Enstar Group Inc. (incorporated by reference to Exhibit 2.1 to the proxy statement/prospectus that forms a part of the Registration Statement on Form S-4 of Castlewood, as filed with the Securities and Exchange Commission and declared effective December 15, 2006).
  - 2.2 Recapitalization Agreement, dated as of May 23, 2006, among Castlewood Holdings Limited, The Enstar Group, Inc. and the other parties signatory thereto (incorporated by reference to Exhibit 2.2 to the proxy statement/prospectus that forms a part of the Registration Statement on Form S-4 of Castlewood, as filed with the Securities and Exchange Commission and declared effective December 15, 2006).
  - 3.1 Second Amended and Restated Bye-Laws of Enstar Group Limited (formerly Castlewood Holdings Limited).
  - 10.1 Registration Rights Agreement, dated as of January 31, 2007, by and among Castlewood Holdings Limited, Trident II, L.P., Marsh & McLennan Capital Professionals Fund, L.P., Marsh & McLennan Employees' Securities Company, L.P., J. Christopher Flowers, Dominic F. Silvester and the other parties thereto set forth on the Schedule of Shareholders attached thereto.
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- 10.2 Indemnification Agreement, dated as of January 31, 2007, by and between Enstar Group Limited (formerly known as Castlewood Holdings Limited) and Dominic F. Silvester.
  - 10.3 Indemnification Agreement, dated as of January 31, 2007, by and between Enstar Group Limited (formerly known as Castlewood Holdings Limited) and Paul J. O'Shea.
  - 10.4 Indemnification Agreement, dated as of January 31, 2007, by and between Enstar Group Limited (formerly known as Castlewood Holdings Limited) and Nicholas A. Packer.
  - 10.5 Indemnification Agreement, dated as of January 31, 2007, by and between Enstar Group Limited (formerly known as Castlewood Holdings Limited) and J. Christopher Flowers.
  - 10.6 Indemnification Agreement, dated as of January 31, 2007, by and between Enstar Group Limited (formerly known as Castlewood Holdings Limited) and John J. Oros.
  - 10.7 Indemnification Agreement, dated as of January 31, 2007, by and between Enstar Group Limited (formerly known as Castlewood Holdings Limited) and Nimrod T. Frazer.
  - 10.8 Indemnification Agreement, dated as of January 31, 2007, by and between Enstar Group Limited (formerly known as Castlewood Holdings Limited) and Gregory L. Curl.
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  - 10.11 Indemnification Agreement, dated as of January 31, 2007, by and between Enstar Group Limited (formerly known as Castlewood Holdings Limited) and T. Whit Armstrong.
  - 10.12 Employment Agreement, dated January 31, 2007, by and among Castlewood Holdings Limited, Castlewood (US) Inc., and John J. Oros.
  - 99.1 Text of the Joint Press Release of Enstar and Castlewood, dated January 31, 2007.
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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ENSTAR GROUP LIMITED

Date: January 31, 2007

By: /s/ Richard J. Harris  
Richard J. Harris  
Chief Financial Officer

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EXHIBIT INDEX

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SECOND AMENDED AND RESTATED

BYE-LAWS OF

ENSTAR GROUP LIMITED

(FORMERLY KNOWN AS CASTLEWOOD HOLDINGS LIMITED)

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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;
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;
Company	the company for which these Bye-laws are approved and confirmed;

Director	a director of the Company;
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 to direct management or policies of the person in question, whether by means of an ownership interest or otherwise);
Member	the 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;

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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;
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; and
Secretary	the person appointed to perform any or all of the duties of secretary of the Company and includes any deputy or assistant secretary and any person appointed by the Board to perform any of the duties of the Secretary.

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 companies, associations 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.

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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 to any resolution of the Members to the contrary, 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 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).

#### 3. POWER OF THE COMPANY TO PURCHASE ITS SHARES

The Company may purchase its own 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 all or any part of its own shares in accordance with the Act.

#### 4. RIGHTS ATTACHING TO SHARES

- 4.1 At the date these Bye-laws are adopted, the share capital of the Company shall be divided into three classes: (i) 100,000,000 ordinary shares of par value US\$1.00 each (the "Common Shares"), (ii) 6,000,000 non-voting convertible ordinary shares of par value US\$1.00 each (the "Non-Voting Convertible Common Shares") and (iii) 50,000,000 preference shares of par value US\$1.00 each (the "Preference Shares").

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- 4.2 The holders of Common Shares shall, subject to the provisions of these Bye-laws (including, without limitation, the rights attaching to 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 on a pari passu basis with the Non-Voting Convertible Common Shares;
- (c) in the event of a winding-up or dissolution of the Company, whether voluntary or involuntary or for the purpose of a reorganisation or otherwise or upon any distribution of capital, be entitled to the surplus assets of the Company on a pari passu basis with the Non-Voting Convertible Common Shares; and
- (d) generally be entitled to enjoy all of the rights attaching to shares.

- 4.3 The holders of Non-Voting Convertible Common Shares shall, subject to the provisions of these Bye-laws (including, without limitation, the rights attaching to Preference Shares):

- (a) be entitled to such dividends as the Board may from time to time declare on a pari passu basis with the Common Shares;
- (b) in the event of a winding-up or dissolution of the Company, whether voluntary or involuntary or for the purpose of a reorganisation or otherwise or upon any distribution of capital, be entitled to the surplus assets of the Company on a



pari passu basis with the Common Shares; and

- (c) generally be entitled to enjoy all of the rights attaching to Common Shares, but shall not be entitled to vote.

Each Non-Voting Convertible Common Share shall be automatically converted into one Common Share, subject to any necessary adjustments for any share splits, dividends, recapitalizations, consolidations or similar transactions occurring in respect of the Common Shares or the Non-Voting Convertible Common Shares after the date of the adoption of these Bye-laws, immediately prior to any transfer by the registered holder of such Non-Voting Convertible Common Share, whether or not for value, except for transfers to a nominee or

Affiliate of such holder in a transfer that will not result in a change of beneficial ownership (as determined under Rule 13d-3 under the Securities Exchange Act of 1934, as amended) or to a person that already holds Non-Voting Convertible Common Shares.

- 4.4 The Board is authorised to provide for the issuance of the Preference Shares in one or more series, and to establish from time to time the number of shares to be included in each such series, and to fix the designation, powers, preferences and rights of the shares of each such 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 or the Non-Voting Convertible Common Shares or, subject to the terms of any other series of Preference Shares, to vary the rights attached to any other series of Preference Shares). The authority of the Board with respect to each series shall include, but not be limited to, determination of the following:

- (a) the number of shares constituting that series and the distinctive designation of that series;
- (b) the dividend rate on the shares of that 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 series;
- (c) whether that 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 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 series shall be redeemable or repurchaseable, and, if so, the terms and conditions of such redemption or repurchase, including the manner of selecting shares for redemption or repurchase if less than all shares are to be redeemed or repurchased, the date or dates upon or after which they shall be redeemable or repurchaseable, and the amount per share payable in case of redemption or repurchase,

which amount may vary under different conditions and at different redemption or repurchase dates;

- (f) whether that series shall have a sinking fund for the redemption or repurchase of shares of that series, and, if so,

the terms and amount of such sinking fund;

- (g) the right of the shares of that 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 series or any other 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 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 series; and
- (i) any other relative participating, optional or other special rights, qualifications, limitations or restrictions of that series.

4.5 Any Preference Shares of any series 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 shall have the status of authorised and unissued Preference Shares of the same series and may be reissued as a part of the series of which they were originally a part or may be reclassified and reissued as part of a new series of Preference Shares to be created by resolution or resolutions of the Board or as part of any other 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 series of Preference Shares.

4.6 At the discretion of the Board, 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, 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 issued 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.

- 4.7 (a) 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 9.5% U.S. Shareholder or 9.5% Direct Foreign Shareholder Group. The Board shall implement the foregoing in the manner provided herein; provided, that the foregoing provision and the remainder of this Bye-law 4.7 shall not apply in the event that one Member of the Company owns greater than 75% of the issued and outstanding shares of the Company.
- (b) The Board shall from time to time, including prior to any time at which a vote of Members is taken, take all reasonable steps, including those specified in Bye-law 4.9, necessary 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 9.5% U.S. Shareholder or a Tentative 9.5% Direct Foreign Shareholder Group.
- (c) In the event that a Tentative 9.5% U.S. Shareholder exists, the aggregate votes conferred by shares held by a Member and treated as Controlled Shares of that Tentative 9.5% U.S.

Shareholder shall be reduced to the extent necessary such that the Controlled Shares of the Tentative 9.5% U.S. Shareholder will constitute 9.5% of the voting power of all shares. In applying the previous sentence where shares held by more than one Member are treated as Controlled Shares of such Tentative 9.5% U.S. Shareholder, the reduction in votes shall apply to such Members in descending order according to their respective Attribution Percentages, provided, that in the event of a tie, the reduction shall apply first to the Member whose shares are Controlled Shares of the Tentative 9.5% U.S. Shareholder by virtue of the Tentative 9.5% U.S. Shareholder's economic interest in (as opposed to voting control with respect to) such shares. The adjustments of voting power described in this Bye-law shall apply repeatedly until there is no 9.5% U.S. Shareholder. The Board of Directors may deviate from any of the principles described in this Bye-law and determine that shares held by a Member shall carry different voting rights as it determines appropriate (1) to avoid the existence of any 9.5% U.S. Shareholder or (2) to

avoid adverse tax, legal or regulatory consequences to the Company, any subsidiary of the Company, or any other Member or its affiliates. For the avoidance of doubt, in applying the provisions of Bye-laws 4.7 through 4.10, a share may carry a fraction of a vote.

- (d) Immediately after completing the adjustment of voting power provided for in Bye-law 4.7(c), in the event that a Tentative 9.5% Direct Foreign Shareholder Group exists, the aggregate votes conferred by shares held by the Tentative 9.5% Direct Foreign Shareholder Group shall be reduced to the extent necessary to cause such Shareholder or Shareholders to no longer constitute a 9.5% Direct Foreign Shareholder Group.
- (e) "9.5% Direct Foreign Shareholder Group" means a shareholder that is not a U.S. Person or a group of commonly controlled shareholders that are not U.S. Persons, in either case who owns shares that constitute more than nine and one-half percent (9.5%) of the voting power of all shares of the Company and that are attributable to a U.S. Person under Section 958 of the Code.
- (f) "Attribution Percentage" shall mean, with respect to a Member, the percentage of the Member's shares that are treated as Controlled Shares of a Tentative 9.5% Shareholder.
- (g) "Controlled Shares" in reference to any person means all shares of the Company directly, indirectly or constructively owned by such person as determined pursuant to Section 958 of the Code.
- (h) "9.5% U.S. Shareholder" means a "United States person" as defined in the Code (a "U.S. Person") whose Controlled Shares constitute more than nine and one-half percent (9.5%) of the voting power of all shares of the Company and who would be generally 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 9.5%.
- (i) "Tentative 9.5% U.S. Shareholder" means a U.S. Person that, but for adjustments to the voting rights of shares pursuant to Bye-laws 4.7 through 4.8, would be a 9.5% U.S. Shareholder.
- (j) "Tentative 9.5% Direct Foreign Shareholder Group" means a shareholder that is not a U.S. Person or a group of commonly controlled shareholders that are not U.S. Persons

that, but for adjustments to the voting rights of shares pursuant to Bye-laws 4.7 through 4.8, would be a 9.5% Direct Foreign Shareholder Group.

- 4.8 In addition to the provisions of Bye-law 4.7, any shares shall not carry any right to vote to the extent that the Board of Directors determines, in its reasonable discretion, that it is necessary that such shares should not carry the right to vote in order to avoid adverse tax, legal or regulatory consequences to the Company, any subsidiary of the Company, or any other Member or its affiliates, provided, that no adjustment pursuant to this sentence shall cause any person to become a 9.5% U.S. Shareholder or a 9.5% Direct Foreign Shareholder Group.
- 4.9 Prior to any date on which Members shall vote on any matter, the Board of Directors shall (a) 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 Bye-laws 4.7 through 4.10, (b) obtain from such firm or organization a statement describing the information obtained and procedures followed and setting forth the determinations made with respect to Bye-laws 4.7 through 4.10 and (c) notify each Member of the voting power conferred by its shares determined in accordance with Bye-laws 4.7 through 4.10.
- 4.10 (a) Subject to the provisions of this Bye-law 4.10, the Company shall have the authority to reasonably request from any Member, and such Member shall promptly provide to the Company, such information as the Company may reasonably request for the purpose of (i) determining whether any Member's voting rights are to be adjusted pursuant to Bye-laws 4.7 through 4.10, (ii) determining whether the Company would realize any income that would be included in the income of any Member (or any interest holder, whether direct or indirect, of any Member) by operation of Section 953(c) of the Code and (iii) determining whether the Company or any of its subsidiaries would be entitled to the benefits of a tax treaty.
- (b) Any information provided by each Member to the Company pursuant to this Bye-law 4.10 shall be deemed "confidential information" (the "Confidential Information") and shall be used by the Company solely for the purposes contemplated by this Bye-law 4.10 (except as otherwise may be required 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 pursuant to Bye-laws 4.7 through 4.10, (iii) to directors, officers and employees of the Company and (iv) as otherwise required by law or regulation. The Company shall take measures reasonably practicable to provide for the continued confidentiality of the Confidential Information and shall grant the persons referred to in the preceding clauses (ii) and (iii) access to the Confidential Information only (x) to the extent necessary, as appropriate, to allow them to assist the Company in any analysis required pursuant to Bye-laws 4.7 through 4.10, (y) to determine whether the Company would realize any income that would be included in the income of any Member (or any interest holder, whether direct or indirect, of any Member) by operation of Section 953(e) of the Code and (z) to determine whether the Company or any of its subsidiaries would be entitled to the benefits of a tax treaty. Prior to granting access to the Confidential Information to any such persons, the Company shall inform them of the information's confidential nature and of the provisions

of this Bye-law 4.10 and shall require them to abide by all the provisions hereof. 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 4.7 through 4.10. 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.

- (c) The Company shall (i) notify a Member of the existence, terms and circumstances surrounding any request made to the Company to disclose any Confidential Information provided by or with respect to such Member and, prior to such disclosure, shall permit, if practicable, such Member a reasonable period of time to seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Bye-law 4.10, and (ii) if, in the absence of a protective order, such disclosure is required in the reasonable opinion of counsel to the Company, the Company shall make such disclosure without liability hereunder; provided that the Company shall use commercially reasonable efforts to furnish only that portion of the Confidential Information that is legally required, shall give such Member notice of the information to be disclosed as far in advance of its disclosure as practicable and, upon the reasonable request of such Member and at its expense, shall use commercially reasonable efforts to ensure that confidential treatment will be accorded to all such disclosed information.

- (d) The Board may rely in good faith exclusively on the analysis, deliberation, reports and other communications of those persons specified in Bye-law 4.10(b) with respect to the collection, disclosure or use of the Confidential Information, including, but not limited to (i) determining whether the Company would realize any income that would be included in the income of any Member (or any interest holder, whether direct or indirect, of any Member) by operation of Section 953(c) of the Code or implementing any provisions of these Bye-laws and (ii) determining whether the Company or any of its subsidiaries would be entitled to the benefits of a tax treaty.
- (e) If any Member fails to respond to a reasonable request for information by the Company pursuant to Bye-law 4.10(a) within seven business days of such request, or submits incomplete or inaccurate information in response to such a reasonable request, the Directors may in their reasonable discretion (after considering the circumstances described in any response to the request by the Member and providing the Member with a cure period of such length as the Board may reasonably determine under the circumstances) determine that such Member's shares shall carry no voting rights in which case such shares shall not carry any voting rights until otherwise determined by the Directors in their reasonable discretion.
- (f) Any holder of shares that is a corporation, partnership, limited liability company or other entity or a U.S. Person shall give notice to the Company within ten days following the date that such holder acquires actual knowledge that it is the owner of Controlled Shares that constitute 9.5% or more of the voting power of all shares.
- (g) Notwithstanding the foregoing, no Member shall be liable to any other Member or the Company for any losses or damages resulting from such Member's failure to respond to, or submission of incomplete or inaccurate information in response to, a request under subparagraph (a) of this Bye-law or from such Member's failure to give notice under subparagraph (b) of

this Bye-law.

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

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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  
Enstar Group Limited (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

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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[ ]

- 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 forfeit 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, specifying the amount paid on such shares. 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.
- 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 the lost 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 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  
Enstar Group Limited (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.

12.7 (a) The Directors may decline to register any transfer of shares if it appears to the Directors, in their reasonable discretion, after taking into account, among other things, the limitation on voting rights contained in these Bye-laws, that any non-de minimis adverse tax, regulatory or legal consequence to the Company, any subsidiary of the Company, or any other holder of shares or its Affiliates would result from such transfer (including if such consequence arises as a result of any such U.S. Person owning Controlled Shares that constitute 9.5% or more of the value of the Company or the voting shares of the Company (but subject to the provisions of



Bye-laws 4.7 through 4.10)). The Directors shall have the authority to reasonably request from any holder of shares, and such holder of shares shall provide, such information as the Directors may reasonably request for the purpose of determining whether any transfer should be permitted.

- (b) Subject to any applicable requirements of the Nasdaq National Market or other quotation system or exchange, the Directors (a) may decline to register any transfer of shares, unless (i) a written opinion from counsel reasonably acceptable to the Company shall have been obtained to the effect that registration of such shares under the U.S. Securities Act of 1933, as amended, is not required or (ii) an effective registration statement under the U.S. Securities Act of 1933, as amended, is in place covering the shares to be transferred and (b) shall decline to register any transfer of shares if the transferee shall not have been approved by applicable governmental authorities if such approval is required in respect of such transfer.
- (c) If the Board refuses to register a transfer of any share the Secretary shall, within ten business days after the date on which the transfer was lodged with the Company, send to the transferor and transferee notice detailing the nature of the refusal.

### 13. TRANSMISSION OF REGISTERED SHARES

- 13.1 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

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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 reasonable discretion, decide as being properly authorised to deal with the shares of a deceased Member.

- 13.2 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, 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, of the following:

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

Enstar Group Limited (the "Company")

I/We, having become entitled in consequence of the [death/bankruptcy] of [name and address of deceased/bankrupt 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

- 13.3 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

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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.

- 13.4 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.

- 13.5 If the Directors in their reasonable discretion determine that share ownership by any person may result in a non-de minimis adverse tax, legal or regulatory consequence to the Company, any subsidiary of the Company, or any other holder of shares or its Affiliates (including if such consequence arises as a result of any such U.S. Person owning Controlled Shares that constitute 9.5% or more of the value of the Company or the voting shares of the Company (but subject to the provisions of Bye-laws 4.7 through 4.10)), the Company will have the option but not the obligation to repurchase or assign to a third party the right to purchase the minimum number of shares held by such person which is necessary to eliminate such non-de minimis adverse tax, legal or regulatory consequence at a price determined in the good faith discretion of the Directors to represent such shares' fair market value; provided, that (a) if the shares are not traded on a quotation system or securities exchange in or outside the United States, the fair market value per share shall be determined by the Directors without a minority discount and without a liquidity discount or (b) if the shares are traded on a quotation system or securities exchange, the fair market value per share shall be determined by the Directors based on the average of the last sales price per share or if there is none, the average of the bid and asked price per share, without a minority discount and without a liquidity discount, in each case for the eight business days prior to the repurchase date. If a Member disagrees with any price so determined by the Board, the fair market value per share will be determined by an independent appraiser retained by the Company at its expense and reasonably acceptable to such Member.

#### ALTERATION OF SHARE CAPITAL

#### 14. POWER TO ALTER CAPITAL

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- 14.1 The Company may if authorised by resolution of the Members increase, divide, consolidate, subdivide, change the currency denomination of, diminish or otherwise alter or reduce its share capital in any manner permitted by the Act.
- 14.2 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.

#### 15. VARIATION OF RIGHTS ATTACHING TO SHARES

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 at which meeting the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued 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.

#### DIVIDENDS AND CAPITALISATION

#### 16. DIVIDENDS

16.1 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.

16.2 The Board may fix any date as the record date for determining the Members entitled to receive any dividend.

16.3 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.

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16.4 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.

#### 17. 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.

#### 18. METHOD OF PAYMENT

18.1 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 address of the Member in the Register of 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 by direct transfer to such bank account as such Member 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 can give an effectual receipt for any dividend paid in respect of such shares.

18.2 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.

18.3 Any dividend and or other monies payable in respect of a share which has remained unclaimed for 7 years, or such other period of time as may be required pursuant to the listing standard of the Nasdaq National Market or such other quotation system or exchange applicable to the Company's shares 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.

18.4 The Company shall be entitled to cease sending dividend cheques and warrants 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 18.4 in respect of any Member shall cease if the Member claims a dividend or cashes a dividend cheque or warrant.

19. CAPITALISATION

19.1 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.

19.2 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

20. 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 the Board shall appoint.

21. 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.

22. REQUISITIONED GENERAL MEETINGS

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. NOTICE

23.1 At least ten 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, that the election of Directors will take place thereat, and as far as practicable, the other business to be conducted at the meeting.

23.2 At least ten 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.

- 23.3 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.
- 23.4 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.
- 23.5 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.

#### 24. GIVING NOTICE

- 24.1 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.

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- 24.2 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.
- 24.3 Save as provided by Bye-law 24.4, 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, at 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.
- 24.4 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.
- 24.5 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.

#### 25. POSTPONEMENT OR CANCELLATION 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 the postponed or cancelled meeting shall be given to the Members in accordance with the

26. ATTENDANCE AND SECURITY AT GENERAL MEETINGS

- 26.1 Members may participate in any general meeting by means of such telephone, electronic or other communication facilities 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.
- 26.2 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 is, and at any general meeting, the chairman of such meeting is, entitled to refuse entry to a person who refuses to comply with any such arrangements, requirements or restrictions.

27. QUORUM AT GENERAL MEETINGS

- 27.1 At any general meeting of the Company two or more persons present in person throughout the meeting and representing in person or by proxy in excess of 50% of the total issued voting shares in the Company shall form a quorum for the transaction of business.
- 27.2 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.

28. 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.

29. VOTING ON RESOLUTIONS

- 29.1 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.
- 29.2 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.
- 29.3 At any general meeting a resolution put to the vote of the meeting shall, in the first instance, be voted upon by a show of hands and,

subject to any rights or restrictions for the time being lawfully attached to any class of shares and subject to the provisions of these Bye-laws, every Member present in person at such meeting and every person holding a valid proxy at such meeting shall have one vote for each share entitled to vote at the meeting of which such person is the holder or for which such person holds a proxy and shall cast such vote by raising his or her hand.

- 29.4 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.
- 29.5 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. POWER TO DEMAND A VOTE ON A POLL

30.1 Notwithstanding the foregoing, a poll may be demanded by any of the following persons:

- (a) the chairman of such meeting; or
- (b) at least three Members present in person or represented by proxy; or
- (c) any Member or Members present in person or represented by proxy and holding between them not less than one-tenth of the total voting rights of all the Members having the right to vote at such meeting; or
- (d) any Member or Members present in person or represented by proxy holding shares in the Company conferring the right to vote at such meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all such shares conferring such right.

30.2 Where a poll is demanded, subject to any rights or restrictions for the time being lawfully attached to any class of shares and subject to the provisions of these Bye-laws, every Member present in person at such meeting and every person holding a valid proxy at such meeting shall have one vote for each share entitled to vote at the meeting of which such person is the holder or for which such person holds a proxy and such vote shall be counted by ballot as described herein, or in the case of a general meeting at which one or more Members are present by telephone, in such manner as the chairman of the meeting may direct and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded and shall replace any previous resolution upon the same matter which has been the subject of a show of hands. A person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

30.3 A poll demanded for the purpose of electing a chairman of the meeting or on a question of adjournment shall be taken forthwith and a poll demanded 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 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.

30.4 Where a vote is taken by poll, each person 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 initialed or otherwise marked so as to identify the voter and the registered holder in the case of a proxy. At the conclusion of the poll, the ballot papers shall be examined and counted by a committee of not less than two Members or proxy holders appointed by the chairman for the purpose and the result of the poll shall be declared by the chairman.

31. 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.

32. INSTRUMENT OF PROXY

32.1 A Member may appoint a proxy by (a) an instrument appointing a proxy in writing in substantially the following form or such other form as the Board may determine from time to time:

Proxy  
Enstar Group Limited (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 to be held on the [ ] day of [ ], 200[ ] 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.

32.2 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.

32.3 A Member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf.

32.4 The decision of the chairman of any general meeting as to the validity of any appointment of a proxy shall be final.

33. REPRESENTATION OF CORPORATE MEMBER

33.1 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 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.



33.2 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.

34. ADJOURNMENT OF GENERAL MEETING

34.1 The chairman of any general meeting at which a quorum is present may with the consent of Members holding a majority of the voting rights of those Members present in person or by proxy (and shall if so directed by Members holding a majority of the voting rights of those Members present in person or by proxy), adjourn the meeting.

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34.2 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.

34.3 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.

35. WRITTEN RESOLUTIONS

35.1 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.

35.2 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.

35.3 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, 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.

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35.4 A resolution in writing made in accordance with this Bye-law shall constitute minutes for the purposes of the Act.

35.5 This Bye-law shall not apply to:

- (a) a resolution passed to remove an auditor from office before the expiration of his term of office; or
- (b) a resolution passed for the purpose of removing a Director

before the expiration of his term of office.

35.6 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.

36. 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.

DIRECTORS AND OFFICERS

37. ELECTION OF DIRECTORS

37.1 The Board shall consist of such number of Directors being not less than five Directors and not more than such maximum number of Directors, not exceeding fifteen Directors, as the Board may from time to time determine. A majority of the Board shall consist of Directors who are not residents of the United Kingdom or Switzerland. Subject to the Companies Act and these Bye-laws, the Directors shall be elected or appointed by the Company by resolution and shall serve for such term as the Company by resolution may determine, or in the absence of such determination, until the termination of the next annual general meeting following their appointment. All Directors, upon election or appointment (except upon re-election at an annual general meeting) must provide written acceptance of their appointment, in such form as the

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Board may think fit, by notice in writing to the Company's registered office within thirty (30) days of their appointment.

37.2 The Board may propose any person for election as a Director and may from time to time establish procedures to receive nominations from a Member of persons for election as Directors. Only persons who are proposed or nominated in accordance with this Bye-law shall be eligible for election as Directors.

37.3 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.

37.4 At any general meeting the Board may fill any vacancy left unfilled at such general meeting.

38. CLASSES OF DIRECTORS

The Directors shall be divided into three classes designated Class I, Class II and Class III. Each class of Directors shall consist, as nearly as possible, of one third of the total number of Directors constituting the entire Board.

39. TERM OF OFFICE OF DIRECTORS

Each Director shall serve for a term ending on the date of the third annual general meeting of shareholders next following the annual general meeting at which such Director was elected, provided, that (i) Directors initially designated by the Board as Class I Directors shall serve for an initial term ending on the date of the first annual general meeting of Members next following the effectiveness of their designation as Class I Directors, (ii) Directors initially designated by the Board as Class II Directors shall serve for an initial term ending on the date of the second annual general meeting of Members next following the effectiveness of their designation Class II Directors, and (iii) Directors initially

designated by the Board as Class III Directors shall serve for an initial term ending on the date of the third annual general meeting of Members next following the effectiveness of their designation as Class III Directors. If the number of Directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of Directors in each class as nearly equal as possible,

and any Director of any class elected to fill a vacancy shall hold office for a term that shall coincide with the remaining term of the other Directors of that class, but in no case shall a decrease in the number of Directors shorten the term of any Director then in office. A Director shall hold office until the annual general meeting for the year in which his term expires, subject to his office being vacated pursuant to Bye-law 42.

40. ALTERNATE DIRECTORS

There shall be no alternate Directors, and no Member or Director shall have a right to designate any person to attend meetings of the Board or Board committees as a non-voting observer, except with the concurrence of a majority of the Board or committee members in attendance at such meeting.

41. REMOVAL OF DIRECTORS

41.1 Subject to any provision to the contrary in these Bye-laws, the Members entitled to vote for the election of Directors may, at any special general meeting convened and held in accordance with these Bye-laws, remove a Director, only with cause, by the affirmative vote of Members holding at least a majority of the total combined voting power of all issued and outstanding Common Shares after giving effect to any reduction in voting power acquired under Bye-laws 4.7 and 4.8, 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.

41.2 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.

41.3 For the purpose of Bye-law 41.1, "cause" shall mean a conviction for a criminal offence involving dishonesty or engaging in conduct which brings the Director or the Company into disrepute and which results in material financial detriment to the Company.

42. VACANCY IN THE OFFICE OF DIRECTOR

42.1 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 of unsound mind or dies; or
- (c) resigns his office by notice in writing to the Company.

42.2 Subject to Bye-law 41.2, the Board shall have the power to appoint any person as a Director to fill a vacancy on the Board occurring as a result of the death, disability, disqualification or resignation of any Director or as a result of an increase in the size of the Board as permitted by these Bye-laws.

43. REMUNERATION OF DIRECTORS

The remuneration (if any) of the Directors shall be deemed to accrue from day to day and shall be determined by the Board or a committee thereof. 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. 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.

45. DIRECTORS TO MANAGE BUSINESS

The business of the Company shall be managed and conducted by the Board. In managing the business of the Company, 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 and the provisions of any statute.

46. POWERS OF THE BOARD OF DIRECTORS

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 and may entrust to and confer upon such manager such powers and duties as it 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 (including the power to sub-delegate) to a committee appointed by the Board which may consist partly or entirely of non-Directors, provided that every such committee shall conform to such directions as the Board shall impose on 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 superseded by directions imposed by the Board;
- (h) delegate any of its powers (including the power to sub-delegate) to any person on such terms and in such manner as the Board may see fit;
- (i) present any petition and make any application in connection with the liquidation or reorganisation of the Company;
- (j) in connection with the issue of any share, pay such commission and brokerage as may be permitted by law; and
- (k) 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.

#### 47. 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.

#### 48. 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.

#### 49. APPOINTMENT OF OFFICERS

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

#### 50. 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.

#### 51. REMUNERATION OF OFFICERS

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

#### 52. CONFLICTS OF INTEREST

52.1 Any Director, or any Director's firm, partner or any company with whom any Director is associated, may act in any capacity for, be employed by or render services to the Company and such Director or such Director's firm, partner or company shall be entitled to remuneration 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.

52.2 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.

52.3 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.

53. INDEMNIFICATION AND EXCULPATION OF DIRECTORS AND OFFICERS

53.1 The Directors, Secretary and other Officers (such term to include any person appointed to any committee by the Board) for the time being acting in relation to any of the affairs of the Company, any subsidiary thereof and the liquidator or trustees (if any) for the time being acting in relation to any of the affairs of the Company or any subsidiary thereof and every one of them,

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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 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 which any of such persons is found, in a final judgment or decree not subject to appeal, to have committed fraud or dishonesty. Each Member agrees to waive any claim or right of action such Member might have, whether individually or by or in the right of the Company, against any Director or Officer on account of any action taken by such Director or Officer, or the failure of such Director or Officer to take any action in the performance of his duties with or for the Company or any subsidiary thereof, provided that such waiver shall not extend to any matter in respect of any fraud or dishonesty which may attach to such Director or Officer.

53.2 The Company may purchase and maintain insurance for the benefit of any Director or Officer of the Company against any liability incurred by him under the Act in his capacity as a Director or Officer of the Company 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.

MEETINGS OF THE BOARD OF DIRECTORS

54. BOARD MEETINGS

The Board may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit, provided any such meetings shall occur in Bermuda. Subject to the provisions of these Bye-

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laws, 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.

55. NOTICE OF BOARD MEETINGS

The Chairman or a majority of the Directors may, and the Secretary on the requisition of such Directors shall, at any time summon a meeting of the Board upon at least five days' prior notice, stating the date, place and time at which the meeting is to be held. Notice of a meeting of the Board shall be deemed to be duly given to a Director if it is given to such Director verbally (in person or by telephone) or otherwise communicated or sent to such Director by post, cable, telex, telecopier, facsimile, electronic mail or other mode of representing words in a legible form at such Director's last known address or any other address given by such Director to the Company for this purpose.

56. PARTICIPATION IN MEETINGS BY TELEPHONE

Directors may participate in any meeting of the Board by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, provided, that no Director may participate by telephone, electronic or other communication facilities from the United Kingdom, the United States or Switzerland, and participation in such a meeting shall constitute presence in person at such meeting.

57. QUORUM AT BOARD MEETINGS

The quorum necessary for the transaction of business at a meeting of the Board shall be a majority of the Directors.

58. 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 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.

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59. 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.

60. 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.

61. 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

62. MINUTES

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.

63. 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.

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64. FORM AND USE OF SEAL

- 64.1 The seal of the Company shall be in such form as the Board may determine. The Board may adopt one or more duplicate seals for use in or outside Bermuda.
- 64.2 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.

ACCOUNTS

65. BOOKS OF ACCOUNT

- 65.1 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.

65.2 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.

66. 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.

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AUDITS

67. 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.

68. APPOINTMENT OF AUDITORS

68.1 Subject to the provisions of the Act, at the annual general meeting or at a subsequent special general meeting in each year, the Members shall appoint an independent representative of the Members to serve as the registered independent accounting firm that acts as Auditor



of the accounts of the Company.

68.2 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.

69. REMUNERATION OF AUDITORS

The remuneration of the Auditor shall be fixed by the Audit Committee of the Board or in such manner as the Members may determine.

70. DUTIES OF AUDITORS

70.1 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.

70.2 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.

71. 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.

72. 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.

73. DISTRIBUTION OF AUDITORS REPORT

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

74. VACANCY IN THE OFFICE OF AUDITOR

If the office of Auditor becomes vacant by the resignation or death or 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.

VOLUNTARY WINDING-UP AND DISSOLUTION

75. 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

### 76. CHANGES TO BYE-LAWS

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 the Members.

### 77. DISCONTINUANCE

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

## CERTAIN SUBSIDIARIES

### 78. VOTING OF SUBSIDIARY SHARES

Notwithstanding any other provision of these Bye-laws to the contrary, if the Company or a Subsidiary of the Company, as the case may be, is required or entitled to vote at a general meeting of any direct or indirect subsidiary of the Company, the Directors shall refer the subject matter of any vote regarding the appointment, removal or remuneration of directors to the Members of the Company on a poll (subject to Bye-laws 4.7 through 4.10) and seek authority from the Members for the Company's or the Subsidiary's, as the case may be, corporate representative or proxy to vote in favour of the resolution proposed by the subsidiary. The Directors shall cause the Company's or the Subsidiary's, as the case may be, corporate representative or proxy to vote the Company's or the Subsidiary's shares in the subsidiary (with respect to a resolution covered by the foregoing sentence) 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 or the Subsidiary's, as the case may be, 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.

### 79. BYE-LAWS OR ARTICLES OF ASSOCIATION OF CERTAIN SUBSIDIARIES

The Board in its discretion shall require that the Bye-laws or Articles of Association of each subsidiary of the Company, organized under the laws of a jurisdiction outside the United States of America, shall contain provisions substantially similar to Bye-law 78. The Company shall enter into agreements with each such subsidiary, as reasonably necessary, to effectuate or implement this Bye-law.

## REGISTRATION RIGHTS AGREEMENT

This REGISTRATION RIGHTS AGREEMENT, dated as of January 31, 2007 (this "Agreement"), is made among CASTLEWOOD HOLDINGS LIMITED, a Bermuda company (the "Company"), TRIDENT II, L.P., a Cayman Islands limited partnership, MARSH & McLENNAN CAPITAL PROFESSIONALS FUND, L.P., a Cayman Islands limited partnership ("CPF"), MARSH & McLENNAN EMPLOYEES' SECURITIES COMPANY, L.P., a Cayman Islands limited partnership (collectively, "Trident"), J. CHRISTOPHER FLOWERS ("JCF"), DOMINIC F. SILVESTER ("DS") and the other shareholders of the Company set forth on the Schedule of Shareholders attached hereto (collectively, together with Trident, JCF and DS, the "Shareholders").

A. The Company is a party to a Merger Agreement, dated as of May 23, 2006, amended on November 21, 2006, with The Enstar Group, Inc., a Georgia corporation ("Enstar"), CWMS Subsidiary Corp., a Georgia corporation and a direct wholly-owned subsidiary of the Company ("Merger Sub") (as amended, supplemented or otherwise modified, the "Merger Agreement"), which provides, among other things, for the merger (the "Merger") of Merger Sub with and into Enstar, with Enstar continuing as the surviving corporation, and the issuance by the Company of ordinary shares, par value \$1.00 per share, of the Company (the "Ordinary Shares") to the shareholders of Enstar pursuant to the Merger, the closing of which (the "Closing") shall take place on the date hereof, concurrently with the execution of this Agreement.

B. The Company and the Shareholders have entered into a Recapitalization Agreement, dated as of May 23, 2006 (as amended, supplemented or otherwise modified, the "Recapitalization Agreement"), which provides, among other things, for the exchange of the outstanding shares of the Company for newly created Ordinary Shares and non-voting convertible ordinary shares, par value \$1.00 per share, of the Company (the "Non-Voting Convertible Ordinary Shares") at the Closing but immediately prior to the date and time the Merger becomes effective.

C. The Company has agreed to provide the registration rights set forth in this Agreement.

D. Capitalized terms used in this Agreement and set forth in Section 10 are used as defined in Section 10. Capitalized terms used in this Agreement without definition shall have the respective meanings assigned to them in the Merger Agreement.

Now, therefore, the parties hereto agree as follows:

1. Demand Registrations.

(a) Requests for Registration. At any time following the one (1) year anniversary of the date hereof, each of Trident, JCF and DS (each, a "Requesting

Holder") shall respectively be entitled to make requests in writing that the Company effect the registration of all or any part of the Registrable Securities held by such Holder (a "Registration Request"). Trident shall be entitled to make three (3) such Registration Requests, JCF shall be entitled to make two (2) such Registration Requests, and DS shall be entitled to make two (2) such Registration Requests. Notwithstanding the foregoing, at one time following the date that is ninety (90) days after the date hereof and prior to the one (1) year anniversary of the date hereof, Trident may exercise one (1) of its Registration Requests; provided that such Registration Request shall not be for more than 750,000 Registrable Securities on the date of such request (after giving effect to any subsequent stock split, combination, recapitalization or similar transaction) (the "Initial Request"); provided, further, that Trident shall give the Company at least 30 days prior written notice of its intent to exercise the Initial Request. As promptly as reasonably practicable after its receipt of any Registration Request, other than the Initial Request, but in any event within seven (7) days of such request, the Company will give written notice of such request to all other Holders, and will use its reasonable best efforts to register, in accordance with the provisions of this Agreement, all Registrable Securities that have been requested to be registered by the Holder in the Registration Request or by any other Holders by written notice to the Company given within ten (10) Business Days after the date the Company has given such Holders notice of the Registration Request; provided, that the Company will

not be required to effect a registration pursuant to this Section 1(a) unless the aggregate number of shares proposed to be registered constitutes at least the lesser of (x) 25% of the total number of Registrable Securities held by the Requesting Holder on the date hereof (or 15% in the case of an Initial Request) or (y) 10% of the total number of Registrable Securities held by all Holders on the date hereof, or if the total number of Registrable Securities then outstanding is less than such amount, all of the Registrable Securities then outstanding. The Company will not be obligated to effect any registration pursuant to this Section 1(a) more than once in any nine (9) month period; provided that the request for a registration that immediately follows the registration pursuant to the Initial Request may be as soon as six (6) months following such earlier registration. Notwithstanding anything contained herein to the contrary, the Company will not include in the Initial Request any securities other than Registrable Securities owned by Trident without Trident's prior written consent. Except if expressly prohibited by applicable law, the Company will pay all Registration Expenses incurred in connection with any registration pursuant to this Section 1.

(b) Limitation on Demand Registrations. A request for registration will not constitute the use of a Registration Request pursuant to Section 1(a) if (i) the Requesting Holder and the Required Holders determine in good faith to withdraw (prior to the effective date of the Registration Statement relating to such request) the proposed registration, (ii) the Registration Statement relating to such request is not declared effective within ninety (90) days of the date such registration statement is first filed with the SEC, (iii) prior to the sale of at least 90% of the Registrable Securities included in the registration relating to such request, such registration is adversely affected by any stop

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order, injunction or other order or requirement of the SEC or other governmental agency, quasi-governmental agent or self-regulatory body or court for any reason and the Company fails to have such stop order, injunction or other order or requirement removed, withdrawn or resolved to the Holders of a majority of Registrable Securities included in such registration statement reasonable satisfaction within thirty (30) days of the date of such order, (iv) more than 20% of the Registrable Securities requested by the Requesting Holder to be included in the registration are not so included pursuant to Section 1(e); provided, that, notwithstanding the foregoing, the Requesting Holder shall nonetheless be permitted to include the number of Registrable Securities that the underwriter permits to be included in such registration, (v) the conditions to closing specified in any underwriting agreement or purchase agreement entered into in connection with the registration relating to such request are not satisfied (other than as a result of a material breach thereunder by the Requesting Holder), or (vi) the Company did not provide Full Cooperation in the case of an underwritten offering. Notwithstanding the foregoing but except if expressly prohibited by applicable law, the Company will pay all Registration Expenses in connection with any request for registration pursuant to Section 1(a) regardless of the application of this provision.

(c) Restrictions on Demand Registrations. The Company may postpone for a reasonable period of time, not to exceed ninety (90) days, the filing or the effectiveness of a Registration Statement for a Demand Registration if the Company furnishes to the Holders a certificate signed by the Chief Executive Officer of the Company stating that the Board of Directors of the Company has determined that such Demand Registration is reasonably likely to have a material adverse effect on any proposal or plan by the Company to engage in any acquisition of assets or any merger, amalgamation, consolidation, tender offer or similar transaction, or otherwise would have a material adverse effect on the business, assets, operations, prospects or financial condition of the Company; provided, that the Company may not effect such a postponement more than once in any 360-day period. If the Company so postpones the filing or the effectiveness of a Registration Statement, the Requesting Holder will be entitled to withdraw such request and, if such request is withdrawn, such registration request will not count as a Registration Request for the purposes of Section 1(a). Except if expressly prohibited by applicable law, the Company will pay all Registration Expenses incurred in connection with any such non-completed registration.

(d) Selection of Underwriters. If the Requesting Holder intends to distribute the Registrable Securities covered by its Registration Request by means of an underwritten offering, the Requesting Holder will so advise the Company as a part of the Registration Request, and the Company will include such information in the notice sent by the Company to the other Holders with respect

to such Registration Request. In such event, the Holders of a majority of the Registrable Securities being so registered will have the right to select the investment banker(s) and manager(s) to administer the offering, subject to the Company's approval which will not be unreasonably withheld,

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conditioned or delayed. If the offering is underwritten, the right of any Holder to registration pursuant to this Section 1 will be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting (unless otherwise agreed by the Required Holders), and each such Holder will (together with the Company and the other Holders distributing their securities through such underwriting) enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting. In connection with each underwritten Demand Registration, the Company shall cause there to be Full Cooperation.

(e) Priority on Demand Registrations. The Company will not include in any underwritten registration pursuant to Section 1(a) any securities that are not Registrable Securities without the prior written consent of both Holders of a majority of the Registrable Securities included in such Registration Statement and the Requesting Holder. If the managing underwriter advises the Company that in its opinion the number of Registrable Securities (and, if permitted hereunder, other securities requested to be included in such offering) exceeds the number of securities that can be sold in such offering without adversely affecting the marketability of the offering, including the price at which the securities can be sold, the Company will include in such offering the maximum number of securities that in the opinion of such underwriters can be sold without adversely affecting the marketability of the offering, including the price at which the securities can be sold, which securities will be so included in the following order of priority: (i) first, securities the Company proposes to sell, provided that the Company shall not be entitled to such first priority hereunder if such first priority has applied at any time during the 18 month period preceding the relevant Registration Request, in which case clause (iii) below shall apply to securities the Company proposes to sell; (ii) second, Registrable Securities, pro rata among the respective Holders thereof participating in such registration on the basis of the aggregate number of Registrable Securities owned by each such Holder on the date of such request or in such other manner as they may agree; and (iii) third, any other securities of the Company that have been requested to be so included. Notwithstanding the foregoing, no employee of the Company or any subsidiary thereof will be entitled to participate, directly or indirectly, in any such registration to the extent that the managing underwriter (or, in the case of an offering that is not underwritten, a nationally recognized investment banking firm) determines in good faith that the participation of such employee in such registration would adversely affect the marketability or offering price of the securities being sold in such registration; provided, however, that this sentence shall not apply to any registration initiated by a Registration Request made by DS.

(f) Other Registration Rights. Except as provided in this Agreement, the Company will not grant to any holder or prospective holder of any securities of the Company registration rights with respect to such securities which are senior to or otherwise conflict in any material respect with the rights granted pursuant to this Section

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1 without the prior written consent of either each of the Requesting Holders or of the Required Holders and, for such time as Trident owns at least 20% of the Registrable Securities it owns as of the date hereof, Trident; provided, that the foregoing shall not prevent the Company from granting additional demand or piggy back registration rights that are pari passu with the rights set forth in this Agreement, and any dilution of the registration rights herein resulting from any such pari passu rights shall not be deemed to conflict with the rights set forth herein.

## 2. Piggyback Registrations.

(a) Right to Piggyback. At any time after the date hereof, whenever the Company proposes to register Ordinary Shares (other than a registration pursuant to Section 1(a) (as a result of the piggyback registration rights related to such registration being set forth in Section 1(a)), a registration on Form S-4

or a registration relating solely to employee benefit plans), whether for its own account or for the account of one or more securityholders of the Company, and the registration form to be filed may be used for the registration or qualification for distribution of Registrable Securities, the Company will give prompt written notice to all Holders of its intention to effect such a registration and will include in such registration all Registrable Securities with respect to which the Company has received written requests for inclusion therein within fifteen (15) days after the date of the Company's notice (a "Piggyback Registration"). Any Holder that has made such a written request may withdraw its Registrable Securities from such Piggyback Registration by giving written notice to the Company and the managing underwriter, if any, on or before the fifth (5th) day prior to the anticipated effective date of such Piggyback Registration. The Company may terminate or withdraw any registration initiated by it and covered by this Section 2 prior to the effectiveness of such registration, whether or not any Holder has elected to include Registrable Securities in such registration, and except for the obligation to pay Registration Expenses pursuant to Section 2(c) the Company will have no liability to any Holder in connection with such termination or withdrawal. A Piggyback Registration shall not be considered a Demand Registration for purposes of Section 1 of this Agreement.

(b) Underwritten Registration. If the registration referred to in Section 2(a) is proposed to be underwritten, the Company will so advise the Holders as a part of the written notice given pursuant to Section 2(a). In such event, the right of any Holder to registration pursuant to this Section 2 will be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting, and each such Holder will (together with the Company and the other Holders distributing their securities through such underwriting) enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting by the Company. If any Holder disapproves of the terms of the underwriting, such Holder may elect to withdraw therefrom by written notice to the Company and the managing underwriter.

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(c) Piggyback Registration Expenses. Except if expressly prohibited by applicable law, the Company will pay all Registration Expenses in connection with any Piggyback Registration, whether or not any registration or prospectus becomes effective or final.

(d) Priority on Primary Registrations. If a Piggyback Registration relates to an underwritten primary offering on behalf of the Company, and the managing underwriters advise the Company that in their opinion the number of securities requested to be included in such registration exceeds the number which can be sold without adversely affecting the marketability of the offering, including the price at which such securities can be sold, the Company will include in such registration the maximum number of securities that in the opinion of such underwriters can be sold without adversely affecting the marketability of the offering, including the price at which such securities can be sold, which securities will be so included in the following order of priority: (i) first, the securities the Company proposes to sell, (ii) second, the Registrable Securities requested to be included in such registration, pro rata among the Holders of such Registrable Securities on the basis of the number of Registrable Securities so requested to be included therein owned by each such Holder or in such other manner as they may agree, and (iii) third, other securities requested to be included in such registration. Notwithstanding the foregoing, any employee of the Company or any subsidiary thereof will not be entitled to participate, directly or indirectly, in any such registration to the extent that the managing underwriter (or, in the case of an offering that is not underwritten, a nationally recognized investment banking firm) will determine in good faith that the participation of such employee in such registration would adversely affect the marketability or offering price of the securities being sold in such registration.

(e) Priority on Secondary Registrations. If a Piggyback Registration relates solely to an underwritten secondary registration on behalf of other holders of the Company's securities, and the managing underwriters advise the Company that in their opinion the number of securities requested to be included in such registration exceeds the number which can be sold without adversely affecting the marketability of the offering, including the price at which such securities can be sold, the Company will include in such registration the maximum number of securities that in the opinion of such underwriters can be sold without adversely affecting the marketability of the offering, including

the price at which such securities can be sold, which securities will be so included in the following order of priority: (i) first, the securities requested to be included therein by the holders requesting such registration and the Registrable Securities requested to be included in such registration, pro rata among the holders of such securities and Registrable Securities on the basis of the number of securities so requested to be included therein owned by each such holder or in such other manner as they may agree, and (ii) second, other securities requested to be included in such registration. Notwithstanding the foregoing, any employee of the Company or any subsidiary thereof will not be entitled to participate, directly or indirectly, in any such registration to the

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extent that the managing underwriter (or, in the case of an offering that is not underwritten, a nationally recognized investment banking firm) will determine in good faith that the participation of such employee in such registration would adversely affect the marketability or offering price of the securities being sold in such registration.

(f) Other Registrations. If the Company files a Registration Statement with respect to Registrable Securities pursuant to Section 1 or Section 2, and if such registration has not been withdrawn or abandoned, the Company will not file or cause to be effected any other registration of any of its equity securities or securities convertible or exchangeable into or exercisable for its equity securities under the Securities Act (except on Form S-4 or S-8 or any successor or similar forms), whether on its own behalf or at the request of any holder or holders of such securities, until a period of at least one hundred eighty (180) days have elapsed from the effective date of the effectiveness of such Registration Statement.

3. Registration Procedures. Subject to Section 1(c), whenever the Holders of Registrable Securities have requested that any Registrable Securities be registered pursuant to this Agreement, the Company will use its reasonable best efforts to effect the registration and sale of such Registrable Securities in accordance with the intended method of disposition thereof. Without limiting the generality of the foregoing, the Company will, as expeditiously as possible:

(a) prepare and (within forty five (45) days after the end of the period within which requests for registration may be given to the Company pursuant hereto) file with the SEC a Registration Statement with respect to such Registrable Securities, make all required filings with the National Association of Securities Dealers and thereafter use its reasonable best efforts to cause such Registration Statement to become effective; provided, that before filing a Registration Statement or any amendments or supplements thereto, the Company will furnish to one firm of counsel selected by the Holders in accordance with Section 4(b) copies of all such documents proposed to be filed, which documents will be subject to review of such counsel at the Company's expense. Unless such counsel earlier informs the Company that it has no objections to the filing of such Registration Statement, amendment or supplement, the Company will not file such Registration Statement, amendment or supplement prior to the date that is five Business Days from the date that such counsel received such document. The Company will not file any Registration Statement or amendment or post-effective amendment or supplement to such Registration Statement to which such counsel will have reasonably objected in writing on the grounds that such amendment or supplement does not comply in all material respects with the requirements of the Securities Act or of the rules or regulations thereunder. The Company shall not permit any person acting on behalf of the Company to use any free writing prospectus (as defined in Rule 405 under the Securities Act) in connection with

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any registration statement covering Registrable Securities, without the prior consent of the Holders named in such registration statement, such consent not to be unreasonably withheld or delayed;

(b) prepare and file with the SEC such amendments and supplements to such Registration Statement as may be necessary to keep such Registration Statement effective for a period of either (i) not less than six (6) months or, if such Registration Statement relates to an underwritten offering, such longer period as in the opinion of - counsel for the

underwriters a prospectus is required by law to be delivered in connection with sales of Registrable Securities by an underwriter or dealer or (ii) such shorter period as will terminate when all of the securities covered by such Registration Statement have been disposed of in accordance with the intended methods of disposition by the Holder or Holders thereof set forth in such Registration Statement (but in any event not before the expiration of any longer period required under the Securities Act), and to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such Registration Statement until such time as all of such securities have been disposed of in accordance with the intended methods of disposition by the Holder or Holders thereof set forth in such Registration Statement;

(c) furnish to each Holder of the Registrable Securities being sold such number of copies, without charge, of such Registration Statement, each amendment and supplement thereto, including each preliminary prospectus, final prospectus, all exhibits and other documents filed therewith and such other documents as such Holder may reasonably request including in order to facilitate the disposition of the Registrable Securities owned by such Holder;

(d) use its reasonable best efforts to register or qualify such Registrable Securities under such other securities or blue sky laws of such jurisdictions as any Holder reasonably requests and do any and all other acts and things that may be necessary or reasonably advisable to enable such Holder to consummate the disposition in such jurisdictions of the Registrable Securities owned by such Holder (provided, that the Company will not be required to (i) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this subsection, (ii) subject itself to taxation in any such jurisdiction or (iii) consent to general service of process in any such jurisdiction);

(e) use its reasonable best efforts to cause all Registrable Securities covered by such Registration Statement to be registered with or approved by such other governmental agencies, authorities or self-regulatory bodies as may be necessary or reasonably advisable in light of the business and operations of the

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Company to enable the Holder or Holders thereof to consummate the disposition of such Registrable Securities in accordance with the intended method or methods of disposition thereof;

(f) immediately notify each Holder of such Registrable Securities being sold and any underwriter(s), at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of the occurrence of any event which will have the result that, the prospectus contains an untrue statement of a material fact or omits to state any fact necessary to make the statements therein not misleading in the light of the circumstances under which they were made, and, as promptly as practicable, prepare and furnish to such Holder and underwriter(s) a reasonable number of copies of a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus will not contain an untrue statement of a material fact or omit to state any fact necessary to make the statements therein not misleading in the light of the circumstances under which they were made;

(g) notify each Holder of any Registrable Securities being sold and covered by such Registration Statement (i) when the prospectus or any prospectus supplement or post-effective amendment has been filed and, with respect to such Registration Statement or any post-effective amendment, when the same has become effective, (ii) of any request by the SEC for amendments or supplements to such registration statement or to amend or to supplement such prospectus or for additional information and (iii) of the issuance by the SEC of any stop order suspending the effectiveness of such registration statement or the initiation of any proceedings for any of such purposes;

(h) use its reasonable best efforts to cause all such Registrable Securities to be listed on each securities exchange on which similar securities issued by the Company are then listed or, if no similar



securities issued by the Company are then listed on any securities exchange, use its reasonable best efforts to cause all such Registrable Securities to be listed on the Nasdaq;

(i) provide a transfer agent and registrar for all such Registrable Securities not later than the effective date of such Registration Statement;

(j) enter into such customary agreements (including underwriting agreements with customary provisions) and take all such other actions as the Requesting Holder, Holders of a majority of Registrable Securities included in such Registration Statement or the underwriters, if any, reasonably request in order to expedite or facilitate the disposition of such Registrable Securities (including, without limitation, effecting a share split or a combination of shares);

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(k) make available for inspection by any Holder of the Registrable Securities being sold, any underwriter participating in any disposition pursuant to such Registration Statement and any attorney, accountant or other agent retained by any such Holder or underwriter, all financial and other records, pertinent corporate documents and documents relating to the business of the Company, and cause the Company's officers, directors, employees and independent accountants to supply all information reasonably requested by any such Holder, underwriter, attorney, accountant or agent in connection with such Registration Statement; provided, that each Holder will, and will use its commercially reasonable efforts to cause each such underwriter, accountant or other agent to enter into a customary confidentiality agreement in form and substance reasonably satisfactory to the Company; provided further, that such confidentiality agreement will not contain terms that would prohibit any such Person from complying with its obligations under applicable law or Nasdaq rules.

(l) otherwise use its reasonable best efforts to comply with all applicable rules and regulations of the SEC, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least twelve months beginning with the first day of the Company's first full calendar quarter after the effective date of the Registration Statement, which earnings statement will satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder;

(m) in the event of the issuance of any stop order suspending the effectiveness of a Registration Statement, or of any order suspending or preventing the use of any related prospectus or ceasing trading of any securities included in such Registration Statement for sale in any jurisdiction, use its reasonable best efforts promptly to obtain the withdrawal of such order;

(n) enter into such agreements and take such other actions as the Holders of the Registrable Securities being sold or the underwriters reasonably request in order to expedite or facilitate the disposition of such Registrable Securities, including, without limitation, preparing for and participating in such number of "road shows" and all such other customary selling efforts as the underwriters reasonably request in order to expedite or facilitate such disposition;

(o) obtain one or more comfort letters, addressed to the Holders of the Registrable Securities being sold (and, if such registration includes an underwritten public offering to the underwriters of such offering), signed by the Company's independent public accountants in customary form and covering such matters of the type customarily covered by comfort letters;

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(p) provide legal opinions of the Company's outside counsel, addressed to the Holders of the Registrable Securities being sold (and, if such registration includes an underwritten public offering, to the underwriters of such offering), with respect to the Registration Statement and prospectus in customary form and covering such matters of the type customarily covered by legal opinions of such nature;

(q) furnish to any Holder of the Registrable Securities being sold such information and assistance as such Holder may reasonably request in connection with any "due diligence" effort which such Holder deem appropriate; and

(r) use its reasonable best efforts to take or cause to be taken all other actions, and do and cause to be done all other things, necessary or reasonably advisable to effect the registration of such Registrable Securities contemplated hereby.

The Company agrees not to file or make any amendment to any Registration Statement with respect to any Registrable Securities, or any amendment of or supplement to the prospectus used in connection therewith, that refers to any Holder covered thereby by name, or otherwise identifies such Holder as the holder of any securities of the Company, without the consent of such Holder, such consent not to be unreasonably withheld or delayed, unless and to the extent such disclosure is required by law.

The Company represents and warrants that no Registration Statement (including any amendments or supplements thereto and prospectuses contained therein) shall contain any untrue statement of a material fact or omit to state a material fact required to be stated therein, or necessary to make the statements therein not misleading (except that the Company makes no representation or warranty with respect to information relating to any Holder furnished in writing to the Company by or on behalf of the Holder specifically for inclusion therein).

The Company may require each Holder of Registrable Securities as to which any registration is being effected to furnish the Company with such information regarding such Holder and pertinent to the disclosure requirements relating to the registration and the distribution of such securities as the Company may from time to time reasonably request in writing.

#### 4. Registration Expenses.

(a) Except as otherwise provided for herein, all expenses incidental to the Company's performance of or compliance with this Agreement, including, without limitation, all registration and filing fees (including SEC registration and National Association of Securities Dealers filing fees), fees and expenses of compliance with

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securities or blue sky laws, word processing, duplicating and printing expenses, messenger and delivery expenses, transfer agent's and registrar's fees, cost of distributing prospectuses in preliminary and final form, as well as any supplements thereto, and fees and disbursements of counsel for the Company and all independent certified public accountants, underwriters and other Persons retained by the Company (all such expenses, "Registration Expenses"), will be borne by the Company. In addition, the Company will, in any event, pay its internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expenses of any annual audit or quarterly review, the expenses of any liability insurance and the expenses and fees for listing the securities to be registered on each securities exchange or automatic quotation system on which similar securities issued by the Company are then listed (including the Nasdaq). Notwithstanding the foregoing, all Selling Expenses will be borne by the holders of the securities so registered pro rata on the basis of the number of their shares so registered.

(b) In connection with each registration pursuant to Section 1 and each Piggyback Registration, the Company will reimburse the Holders of the Registrable Securities covered by such registration or qualification for the reasonable fees and disbursements of one law firm, who will be chosen by the Holders of a majority of the Registrable Securities being so registered.

#### 5. Indemnification.

(a) The Company agrees to indemnify and hold harmless, and hereby does indemnify and hold harmless, each Holder, its affiliates and their respective officers, directors and partners and each Person who controls such Holder (within the meaning of the Securities Act) against, and pay and reimburse such holder, affiliate, director, officer or partner or controlling person for any losses, claims, damages, expenses, liabilities, joint or several, to which such holder or any such affiliate, director, officer or partner or controlling person

may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon (i) any untrue or alleged untrue statement of material fact contained in any Registration Statement, prospectus or preliminary prospectus or any amendment thereof or supplement thereto, or any "issuer free writing prospectus" (as defined in Securities Act Rule 433), (ii) any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, or (iii) any violation or alleged violation by the Company of any rule or regulation promulgated under the Securities Act, the Exchange Act, the National Association of Securities Dealers or any state securities laws applicable to the Company and relating to action or inaction required of the Company in connection with any such registration, and the Company will pay and reimburse such Holder and each such affiliate, director, officer, partner and controlling person for any legal or any other expenses actually and reasonably incurred by them in connection with

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investigating, defending or settling any such loss, claim, liability, action or proceeding; provided, that the Company will not be liable in any such case to the extent that any such loss, claim, damage, expense, liability (or action or proceeding in respect thereof) or expense arises out of or is based upon an untrue statement or alleged untrue statement, or omission or alleged omission, made in such Registration Statement, any such prospectus or preliminary prospectus or any amendment or supplement thereto, or in any application, in reliance upon, and in conformity with, written information prepared and furnished to the Company by such Holder expressly for use therein or by such Holder's failure to deliver, to the extent required by law and except to the extent such failure results from a failure by the Company to comply with Section 3(f), a copy of the Registration Statement or prospectus or any amendments or supplements thereto after the Company has furnished such Holder with a sufficient number of copies of the same. In connection with an underwritten offering, the Company, if requested, will indemnify such underwriters, their officers and directors and each Person who controls such underwriters (within the meaning of the Securities Act) to at least the same extent as provided above with respect to the indemnification of the Holders.

(b) In connection with any Registration Statement in which a Holder is participating, each such Holder will furnish to the Company in writing such information as the Company reasonably requests for use in connection with any such Registration Statement or prospectus and will indemnify and hold harmless the Company, its directors and officers, each other Person who controls the Company (within the meaning of the Securities Act) and each underwriter (to the extent required by such underwriter) against any losses, claims, damages, expenses, liabilities (or actions or proceedings, whether commenced or threatened, in respect thereof), joint or several, to which the Company or any such director or officer, any such underwriter or controlling person may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages, liabilities, actions or proceedings arise out of or are based upon (i) any untrue or alleged untrue statement of material fact contained in the Registration Statement, prospectus or preliminary prospectus or any amendment thereof or supplement thereto or in any application or (ii) any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, but only to the extent that such untrue statement or omission is made in such Registration Statement, any such prospectus or preliminary prospectus or any amendment or supplement thereto, or in any application, in reliance upon and in conformity with written information prepared and furnished to the Company by such Holder expressly for use therein, and such Holder will reimburse the Company and each such director, officer, underwriter and controlling Person for any legal or any other expenses actually and reasonably incurred by them in connection with investigating, defending or settling any such loss, claim, liability, action or proceeding; provided, that the obligation to indemnify and hold harmless will be individual and several to each Holder and will be limited to the amount of net proceeds received by such Holder from the sale of Registrable Securities pursuant to such Registration Statement.

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(c) Any Person entitled to indemnification hereunder will (i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification and (ii) unless in such indemnified party's reasonable

judgment a conflict of interest between such indemnified and indemnifying parties may exist with respect to such claim, permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party. If such defense is assumed, the indemnifying party will not be subject to any liability for any settlement made by the indemnified party without its prior written consent (but such consent will not be unreasonably withheld). An indemnifying party who is not entitled to, or elects not to, assume the defense of a claim will not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of any indemnified party a conflict of interest may exist between such indemnified party and any other of such indemnified parties with respect to such claim. Failure to give prompt written notice shall not release the indemnifying party from its obligations hereunder except to the extent that such indemnifying party is materially prejudiced as a result of such failure to give notice.

(d) The indemnification provided for under this Agreement will remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director or controlling Person of such indemnified party and will survive the registration and sale of any securities by any Person entitled to any indemnification hereunder and the expiration or termination of this Agreement.

(e) If the indemnification provided for in this Section 5 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, liability, claim, damage or expense referred to herein, then the indemnifying party, in lieu of indemnifying such indemnified party hereunder, will contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage or expense in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other hand in connection with the statements or omissions which resulted in such loss, liability, claim, damage or expense as well as any other relevant equitable considerations. The relevant fault of the indemnifying party and the indemnified party will be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. Notwithstanding the foregoing, the amount any Holder will be obligated to contribute pursuant to this Section 5(e) will be limited to an amount equal to the net proceeds to such Holder of the Registrable Securities sold pursuant to the registration statement which gives rise to such obligation to contribute (less the aggregate amount of any damages which the Holder has otherwise been required to pay in respect of such loss,

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claim, damage, expense, liability or action or any substantially similar loss, claim, damage, expense, liability or action arising from the sale of such Registrable Securities).

#### 6. Participation in Underwritten Registrations.

(a) No Holder may participate in any registration hereunder that is underwritten unless such Holder (i) agrees to sell its Registrable Securities on the basis provided in any underwriting arrangements approved by the Person or Persons entitled hereunder to approve such arrangements (including, without limitation, pursuant to the terms of any over-allotment or "green shoe" option requested by the managing underwriter(s); provided, that no Holder will be required to sell more than the number of Registrable Securities that such Holder has requested the Company to include in any registration), (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements, and (iii) cooperates with the Company's reasonable requests in connection with such registration or qualification (it being understood that the Company's failure to perform its obligations hereunder, which failure is caused by such Holder's failure to cooperate, will not constitute a breach by the Company of this Agreement). Notwithstanding the foregoing, no Holder will be required to agree to any indemnification obligations on the part of such Holder that are materially greater than its obligations pursuant to Section 6(b).

(b) Each Holder that is participating in any registration hereunder agrees

that, upon receipt of any notice from the Company of the happening of any event of the kind described in subsection 3(f) above, such Holder will forthwith discontinue the disposition of its Registrable Securities pursuant to the Registration Statement until such Holder receives copies of a supplemented or amended prospectus as contemplated by such Section 3(f). In the event the Company gives any such notice, the applicable time period during which a Registration Statement is to remain effective will be extended by the number of days during the period from and including the date of the giving of such notice pursuant to this Section 6(b) to and including the date when each Holder of a Registrable Security being sold and covered by such Registration Statement will have received the copies of the supplemented or amended prospectus contemplated by Section 3(f).

7. Rule 144 and 144A Reporting.

(a) With a view to making available the benefits of certain rules and regulations of the SEC which may permit the sale of restricted securities to the public without registration, the Company agrees to:

(i) make and keep public information available as those terms are understood and defined in Rule 144 under the Securities Act, and

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(ii) file with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act at any time after it has become subject to such reporting requirements.

(b) For purposes of facilitating sales pursuant to Rule 144A, so long as the Company is not subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, each Holder and any prospective purchaser of such Holder's securities will have the right to obtain from the Company, upon request of the Holder prior to the time of sale, a copy of the most recent annual or quarterly report of the Company, and such other reports and documents so filed as such Holder or prospective purchaser may reasonably request in availing itself of any rule or regulation of the SEC allowing such Holder to sell any such securities without registration, including the Company's most recent quarterly balance sheet and profit and loss and retained earnings statements, and similar financial statements for the two preceding fiscal years (the financial statements to be audited to the extent reasonably available).

(c) Upon the request of any Holder, the Company will deliver to such Holder a written statement as to whether it has complied with the foregoing information requirements.

8. Lock Up Agreements. In consideration for the Company agreeing to its obligations under this Agreement, each Holder agrees in connection with any registration of the Company's securities (whether or not such Holder is participating in such registration) upon the request of the Company and the underwriters managing any underwritten offering of the Company's securities, not to effect (other than pursuant to such registration) any public sale or distribution of Registrable Securities, including, but not limited to, any sale pursuant to Rule 144 or Rule 144A, or make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any Registrable Securities, any other equity securities of the Company or any securities convertible into or exchangeable or exercisable for any equity securities of the Company without the prior written consent of the Company or such underwriters, as the case may be, for such period of time (not to exceed 90 days) beginning on the effective date of such registration as the Company and the underwriters may specify; provided, that nothing herein will prevent any Holder that is a partnership or corporation from making a distribution of Registrable Securities to the partners or shareholders thereof that is otherwise in compliance with applicable securities laws, so long as such distributees agree to be so bound. The Company agrees to use its reasonable best efforts to work with the underwriters to limit any lock-up period under this Section 8 to the minimum number of days that the underwriters consider advisable.

9. Term. This Agreement will be effective as of the date hereof and will continue in effect thereafter until the earliest of (a) its termination by the consent of the Required Holders and each of the Requesting Holders (but only if such Requesting

Holder, as the case may be, holds any Registrable Securities at such time) or, in each case, their respective successors in interest, (b) the date on which no Registrable Securities remain outstanding and (c) the dissolution, liquidation or winding up of the Company.

10. Defined Terms. Capitalized terms when used in this Agreement have the following meanings:

"Business Day" means any day, except a Saturday, Sunday or legal holiday on which banking institutions in The City of New York are authorized or obligated to close.

"Full Cooperation" means, in connection with any underwritten offering, where, in addition to the cooperation otherwise required by this Agreement, (a) members of senior management of the Company (including the chief executive officer and chief financial officer) reasonably cooperate with the underwriter(s) in connection therewith and make themselves reasonably available to participate in "road-shows" and other customary marketing activities in such locations (domestic and foreign) as reasonably recommended by the underwriter(s) (including one-on-one meetings with prospective purchasers of the Registrable Securities) and (b) the Company prepares preliminary and final prospectuses for use in connection therewith containing such additional information as reasonably requested by the underwriter(s) (in addition to the minimum amount of information required by law, rule or regulation).

"Fully Marketed Underwritten Offering" means an underwritten offering in which there is Full Cooperation.

"Holder" means any holder of outstanding Registrable Securities who is a party to this Agreement or to whom the benefits of this Agreement have been validly assigned.

"Person" means an individual, a partnership, a joint venture, a corporation, a limited liability company, a trust, an unincorporated organization or a government or department or agency thereof.

"Register," "registered" and "registration" refers to a registration effected by preparing and filing a Registration Statement in compliance with the Securities Act, and the declaration or ordering of the effectiveness of such Registration Statement, and compliance with applicable state securities laws of such states in which Holders notify the Company of their intention to offer Registrable Securities.

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"Registrable Securities" means (i) any Ordinary Shares issued pursuant to the Merger, (ii) any Ordinary Shares issued pursuant to the Recapitalization Agreement, (iii) any Ordinary Shares issued upon exercise, exchange or conversion of any options, restricted stock units or other rights to acquire Ordinary Shares that are issued in connection with the Merger or the Recapitalization Agreement, or (iv) any equity securities issued or issuable with respect to the securities referred to in the foregoing clauses (i) through (iii) by way of conversion, exercise or exchange thereof or share dividend or share split or in connection with a combination of shares, recapitalization, reclassification, merger, amalgamation, arrangement, consolidation or other reorganization. As to any particular securities constituting Registrable Securities, such securities will cease to be Registrable Securities when (x) they have been effectively registered or qualified for sale by prospectus filed under the Securities Act and disposed of in accordance with the Registration Statement covering them or (y) they have been sold to the public through a broker, dealer or market maker pursuant to Rule 144 or Rule 145 or other exemption from registration under the Securities Act. For purposes of this Agreement, a Person will be deemed to be a holder of Registrable Securities whenever such Person has the right to acquire directly or indirectly such Registrable Securities (upon conversion, exercise or exchange in connection with a transfer of securities or otherwise, but disregarding any restrictions or limitations upon the exercise of such right), whether or not such acquisition has actually been effected.

"Registration Expenses" has the meaning set forth in Section 4.

"Registration Request" has the meaning set forth in Section 1(a).

"Registration Statement" means the prospectus and other documents filed with the SEC to effect a registration under the Securities Act.

"Required Holders" means Shareholders holding in the aggregate 50% or more of the outstanding Registrable Securities.

"Rule 144" means Rule 144 under the Securities Act or any successor or similar rule as may be enacted by the SEC from time to time, as in effect from time to time.

"Rule 144A" means Rule 144A under the Securities Act or any successor or similar rule as may be enacted by the SEC from time to time, as in effect from time to time.

"Selling Expenses" means all underwriting discounts, selling commissions and transfer taxes applicable to the sale of Registrable Securities hereunder.

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#### 11. Miscellaneous.

(a) No Inconsistent Agreements. Subject to Section 1(f), the Company will not hereafter enter into any agreement with respect to its securities that is more favorable or is inconsistent or conflicts with or violates the rights granted to the holders of Registrable Securities in this Agreement.

(b) Adjustments Affecting Registrable Securities. The Company will not take any action, or permit any change to occur, with respect to its securities which would materially and adversely affect the ability of the holders of Registrable Securities to include such Registrable Securities in a registration or qualification for sale by prospectus undertaken pursuant to this Agreement or which would adversely affect the marketability of such Registrable Securities in any such registration or qualification (including, without limitation, effecting a share split or a combination of shares).

(c) Remedies. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that any party hereto will have the right to equitable relief, including specific performance and injunctive relief, in addition to all of its other rights and remedies at law or in equity, to enforce the provisions of this Agreement.

(d) Amendments and Waivers. Except as otherwise provided herein, the provisions of this Agreement may be amended or waived only upon the prior written consent of the Company and the Required Holders; provided, that in the event that such amendment or waiver would treat a Holder or group of Holders in a manner different from any other Holders, then such amendment or waiver will require the consent of such Holder or the Holders of a majority of the Registrable Securities of such group adversely treated.

(e) Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns; provided, that a Holder may not assign or otherwise transfer its rights or obligations under this Agreement to any other Person without the prior written consent of the Company.

(f) Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or the effectiveness or validity of any provision in any other jurisdiction, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

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(g) Counterparts. This Agreement may be executed simultaneously in two or more counterparts, any one of which need not contain the signatures of more than

one party, but all such counterparts taken together will constitute one and the same Agreement.

(h) Descriptive Headings. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

(i) Governing Law. This Agreement and the rights and duties of the parties hereto hereunder shall be governed by and construed in accordance with laws of the State of New York, without giving effect to its principles or rules of conflict of laws to the extent such principles or rules are not mandatorily applicable by statute and would require or permit the application of the laws of another jurisdiction.

Any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby may be brought in any federal or state court located in the County and State of New York, and each of the parties hereby consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereinafter have to the laying of the venue of any such suit, action or proceeding which is brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 12(1) shall be deemed effective service of process on such party.

EACH OF THE PARTIES HERETO HERBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

(j) Further Assurances. Each of the parties hereto shall execute such documents and other papers and perform such further acts as may be reasonably required or advisable to carry out the provisions of this Agreement and the transactions contemplated hereby.

(k) Organizational Documents. Notwithstanding anything to the contrary herein, all applicable provisions of the Company's Bye-Laws and Memorandum of Association (the "Organizational Documents") shall apply to this Agreement and any actions taken hereunder as if set forth herein, and any conflict between the Organizational

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Documents and this Agreement shall be resolved in favor of the provisions of the Organizational Documents. The Company shall not amend or restate the Organizational Documents at any time in a manner that would conflict in any material respect with this Agreement, except to the extent required by applicable law. If any conflict between this Agreement and the Organizational Documents interferes in any material respect with the exercise of any Registration Request or other right or remedy hereunder, the Company shall use its reasonable best efforts to facilitate the exercise of such Registration Request or other right or remedy without conflict with the Organizational Documents.

(l) Notices. All notices, demands or other communications to be given or delivered under or by reason of the provisions of this Agreement will be in writing and will be to the Company and the Shareholders in the manner set forth in the Recapitalization Agreement at the addresses set forth in the Recapitalization Agreement and on the Schedule of Shareholders attached hereto (or at such other address or telecopy number as a party may designate to the other parties).

(m) Entire Agreement. This Agreement together with the Organizational Documents contains the entire agreement among the parties hereto with respect to the subject matter hereof and supersedes and replaces all other prior agreements, written or oral, among the parties hereto with respect to the subject matter hereof.

(n) No Waivers. No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and



remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

[Remainder of this page left intentionally blank.]

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IN WITNESS WHEREOF, the undersigned have set their hands and seals as of the above date.

CASTLEWOOD HOLDINGS LIMITED

By: /s/ Richard J. Harris

-----  
Name: Richard J. Harris  
Title: Chief Financial Officer

J. CHRISTOPHER FLOWERS

/s/ J. Christopher Flowers

-----  
John J. Oros

/s/ John J. Oros

-----  
Nimrod T. Frazer

/s/ Nimrod T. Frazer

-----  
TRIDENT II, L.P.

By: Trident Capital II, L.P.  
Its sole general partner

By: DW Trident GP, LLC, a general partner

By: /s/ David Wermuth

-----  
Name: David Wermuth  
Title: Member

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MARSH & McLENNAN CAPITAL  
PROFESSIONALS FUND, L.P.

By: Stone Point Capital LLC, as manager

By: /s/ David Wermuth

-----  
Name: David Wermuth  
Title: Principal

MARSH & McLENNAN EMPLOYEES'  
SECURITIES COMPANY, L.P.

By: Marsh & McLennan GP I, Inc.  
Its sole general partner

By: Stone Point Capital LLC, its  
attorney-in-fact

By: /s/ David Wermuth

-----  
Name: David Wermuth  
Title: Member

DOMINIC F. SILVESTER

/s/ Dominic F. Silvester

-----  
PAUL J. O'SHEA

/s/ Paul J. O'Shea  
-----

NICHOLAS A. PACKER

/s/ Nicholas A. Packer  
-----

T. WHIT ARMSTRONG

/s/ T. Whit Armstrong  
-----

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T. WAYNE DAVIS

/s/ T. Wayne Davis  
-----

GREGORY L. CURL

/s/ Gregory L. Curl  
-----

PAUL J. COLLINS

/s/ Paul J. Collins  
-----

The COMMON SEAL of R&H TRUST  
CO. (BVI) LTD., as trustee of THE  
RIGHT TRUST was hereunto affixed  
in the presence of

By: /s/ Edith Steel / Kenneth Morgan  
-----

Name: Edith Steel and Kenneth Morgan  
Title: Directors

The COMMON SEAL of R&H TRUST CO.  
(NZ) LIMITED, as trustee of THE  
LEFT TRUST was hereunto affixed  
in the presence of

By: /s/ BMR Smith  
-----

Name: BMR Smith  
Title: Director

The COMMON SEAL of R&H  
TRUST CO. (BVI) LTD., as trustee  
of THE ELBOW TRUST was hereunto  
affixed in the presence of

24

By: /s/ Edith Steel / Kenneth Morgan  
-----

Name: Edith Steel and Kenneth Morgan  
Title: Directors

The COMMON SEAL of R&H  
TRUST CO. (BVI) LTD., as trustee of  
THE HOVE TRUST was hereunto affixed  
in the presence of

By: /s/ Edith Steel / Kenneth Morgan  
-----

Name: Edith Steel and Kenneth Morgan  
Title: Directors

STEVE ALDOUS

/s/ Steve Aldous  
-----

ANDY BROADBENT

/s/ Andy Broadbent  
-----

STEVE GIVEN

/s/ Steve Given  
-----

DAVID GRISLEY

/s/ David Grisley  
-----

25

DAVID HACKETT

/s/ David Hackett  
-----

RICHARD HARRIS

/s/ Richard Harris  
-----

26

TIM HOUSTON

/s/ Tim Houston  
-----

ADRIAN KIMBERLEY

/s/ Adrian Kimberley  
-----

STEVE NORRINGTON

/s/ Steve Norrington  
-----

DAVID ROCKE

/s/ David Roche  
-----

DUNCAN SCOTT

/s/ Duncan Scott  
-----

ALAN TURNER

/s/ Alan Turner  
-----

27

KARL WALL

/s/ Karl Wall  
-----

DUNCAN McLAUGHLIN

/s/ Duncan McLaughlin

---

28

DEREK REID

/s/ Derek Reid

---

IAN BIRCH

/s/ Ian Birch

---

IAN MILLAR

/s/ Ian Millar

---

JAMES LINFORD

/s/ James Linford

---

JONATHAN ZISARUK

/s/ Jonathan Zisaruk

---

KENNY McMANUS

/s/ Kenny McManus

---

LEE BARSON

/s/ Lee Barson

---

ELIZABETH DASILVA

/s/ Elizabeth Dasilva

---

MARTIN WYNN

/s/ Martin Wynn

---

MICHAEL SMELLIE

/s/ Michael Smellie

NICOLAS SLATER

/s/ Nicolas Slater

NICK BRIGGS

/s/ Nick Briggs

ORLA GREGORY

/s/ Orla Gregory

C. PAUL THOMAS

/s/ C. Paul Thomas

PHIL HERNON

/s/ Phil Heron

SIMON LOUGHNANE

/s/ Simon Loughnane

STEVE WESTERN

/s/ Steve Western

TOM NICHOLS

/s/ Tom Nichols

VIVEK JAIN

/s/ Vivek Jain

DARREN TRUMAN

/s/ Darren Truman

DAVID ATKINS

/s/ David Atkins

Schedule of Shareholders

Name	Address and Telecopy Number
----	-----
J. Christopher Flowers	
John J. Oros	
Nimrod T. Frazer	
T. Whit Armstrong	
T. Wayne Davis	
Gregory L. Curl	
Paul J. Collins	
Trident II, L.P.	
Marsh & McLennan Capital Professionals Fund, L.P.	
Marsh & McLennan Employees' Securities Company, L.P.	
Dominic F. Silvester	
R&H Trust Co. (BVI) Ltd., as trustee of The Right Trust	
R&H Trust Co. (NZ) Limited, as trustee of The Left Trust	
R&H Trust Co. (BVI) Ltd., as trustee of The Elbow Trust	
R&H Trust Co. (BVI) Ltd., as trustee of The Hove Trust	
Richard Harris	
Adrian Kimberley	
Andy Broadbent	
Duncan Scott	
Tim Houston	
David Rocke	
Alan Turner	
David Grisley	
David Hackett	
Steve Aldous	

Steve Given  
Steve Norrington  
Karl Wall  
Duncan McLaughlin  
Derek Reid  
Ian Birch  
Ian Millar  
James Linford  
Jonathan Zisaruk  
Kenny McManus  
Lee Barson  
Elizabeth Dasilva  
Martin Wynn

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Michael Smellie  
Nicolas Slater  
Nick Briggs  
Orla Gregory  
C. Paul Thomas  
Phil Hernon  
Simon Loughnane  
Steve Western  
Tom Nichols  
Vivek Jain  
Darren Truman  
David Atkins

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## INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (the "Agreement") is made as of January 31, 2007, between ENSTAR GROUP LIMITED (formerly known as Castlewood Holdings Limited), a company organized under the laws of Bermuda (the "Company"), and DOMINIC F. SILVESTER ("Indemnitee").

## RECITAL

The Second Amended and Restated Bye-Laws of the Company, as may be amended from time to time (the "Bye-Laws") contain provisions indemnifying the Company's directors and officers with respect to certain liabilities and expenses. Indemnitee is currently serving as a director of the Company's Board of Directors (the "Board"), and the Board has determined that it is in the best interests of the shareholders of the Company for the Company to provide Indemnitee with additional assurance of protection against personal liability pursuant to and in furtherance of the Bye-Laws, as provided in this Agreement.

## AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recital and of other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties, intending to be legally bound, agree as follows:

## 1. Indemnification.

(a) The Company shall hold harmless and indemnify and reimburse Indemnitee against all liabilities, costs, expenses (including without limitation, investigation expenses and expert witnesses' and attorneys' fees), judgments, penalties, fines, excise taxes, interest and amounts paid or to be paid in settlement in connection with any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, administrative hearing, or proceeding (collectively, a "Proceeding"), in which Indemnitee was or is a party or a witness, or is threatened to be made a party or a witness, including without limitation, actions by or in the right of the Company, whether civil, criminal, administrative, regulatory or investigative, by reason that, either before or after the date hereof, Indemnitee is or was a director, officer, employee, agent, fiduciary, or other representative of the Company, or is or was serving while a director, officer, employee, agent, fiduciary, or other representative of the Company at the request of the Company as a director, officer, employee, agent, fiduciary, or other representative of another corporation (for profit or not-for-profit), limited liability company, partnership, joint venture, trust, employee benefit plan or other entity or enterprise ("Indemnified Position"). Notwithstanding anything to the contrary set forth in this Agreement, the term "Proceeding" shall not include any action or proceeding commenced by Indemnitee, other than (i) mandatory counterclaims, (ii) affirmative defenses, (iii) as permitted by the Company and (iv) actions or proceedings to enforce the terms of this Agreement.

(b) If Indemnitee is entitled under this Agreement to indemnification by the Company for a portion of the Indemnified Amounts (defined below) but not for the total

amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled.

(c) The Company shall not settle any Proceeding in any manner which would impose any penalty or limitation of any kind or nature on Indemnitee without Indemnitee's prior written consent.

2. Limitations on Indemnification. Notwithstanding any other provision of this Agreement, Indemnitee shall not be entitled to indemnification under Section 1:

(a) if the claim, obligation or liability with respect to which indemnity is sought shall have been determined by a court of competent jurisdiction, by a final, nonappealable judgment or decree, to have resulted from Indemnitee's fraud or dishonesty;



(b) if a court of competent jurisdiction shall determine, by a final, nonappealable judgment or decree, that such indemnity is prohibited under applicable law;

(c) on account of any suit in which judgment is rendered for an accounting of profits made from the purchase or sale by Indemnitee of securities of the Company in violation of the provisions of Section 16(b) of the Securities Exchange Act of 1934, as amended, and amendments thereto or similar provisions of any U.S. federal or state statutory law or any Bermuda statutory law; or

(d) on account of any suit brought against Indemnitee for misuse or misappropriation of non-public information, or otherwise involving Indemnitee's status as an "insider" of the Company, in connection with any purchase or sale by Indemnitee of securities of the Company, and judgment is rendered against Indemnitee in such suit.

3. Other Indemnification Arrangements. The Company's purchase, establishment and maintenance of insurance or similar protection or other arrangements, including, but not limited to, the Bye-Laws, providing a trust fund, letter of credit or surety bond (collectively, "Indemnification Arrangements") on behalf of Indemnitee against any liability asserted against him or her or incurred by or on his or her behalf in his or her Indemnified Position, whether or not the Company would have the power to indemnify him or her against such liability under the provisions of this Agreement or under applicable law, shall not in any way limit or affect the rights and obligations of the Company or of Indemnitee under this Agreement, and the execution and delivery of this Agreement by the Company and Indemnitee shall not in any way limit or affect the rights and obligations of the Company or the other party or parties thereto under any Indemnification Arrangement. All amounts payable by the Company pursuant to this Section 3 or Section 1 are referred to as "Indemnified Amounts."

#### 4. Advance Payment of Indemnified Amounts.

(a) Subject to Section 4(b), Indemnitee hereby is granted the right to receive in advance of a final, nonappealable judgment or other final, nonappealable adjudication of a Proceeding the amount of any and all expenses, including, without limitation, attorney's

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fees, expended or incurred by Indemnitee in connection with any Proceeding (such amounts so expended or incurred, "Advanced Amounts").

(b) In making any request for Advanced Amounts, Indemnitee shall submit to the Company an undertaking by or on behalf of Indemnitee to repay the Advanced Amounts if it shall ultimately be determined in a final, nonappealable judgment or decree that he or she is not entitled to be indemnified by the Company. The undertaking shall be in the form attached hereto as Exhibit A. The Company shall pay to Indemnitee without the need for action by the Board Advanced Amounts within five days of its receipt of appropriate documentation and information evidencing the Advanced Amounts provided that Indemnitee has previously provided the Company with the undertaking required to be provided by Indemnitee pursuant to this Section 4(b).

#### 5. Procedure for Payment of Indemnified Amounts.

(a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request for payment of the appropriate Indemnified Amounts, with such documentation and information to accompany such request as is reasonably available to Indemnitee and reasonably necessary for the Company to determine whether and to what extent Indemnitee is entitled to indemnification.

(b) The Company shall pay Indemnitee the Indemnified Amounts unless it is established that Indemnitee has not met any applicable standard of conduct required in this Agreement or applicable law. For purposes of determining whether Indemnitee is entitled to Indemnified Amounts, in order to deny indemnification to Indemnitee, the Company shall have the burden of proof in establishing that Indemnitee did not meet the applicable standard of conduct required to qualify for indemnification. In this regard, a termination of any Proceeding by judgment, order, plea of nolo contendere, settlement or conviction shall not create a presumption that Indemnitee did not meet the applicable

standard of conduct required to qualify for indemnification.

(c) Any determination that Indemnitee has not met the applicable standard of conduct required to qualify for indemnification shall be made either (i) by the Board by a unanimous vote of all directors who were not parties to the Proceeding or (ii) by independent legal counsel (who may be the outside counsel regularly employed by the Company, so long as it has not advised any party in the subject matter of the Proceeding or the Proceeding itself) approved in advance in writing by both the highest ranking executive officer of the Company who is not party to the Proceeding and by Indemnitee. The fees and expenses of counsel in connection with making the determination contemplated hereunder shall be paid by the Company, and, if requested by such counsel, the Company shall give such counsel an appropriate written agreement with respect to the payment of their fees and expenses and such other matters as may be reasonably requested by such counsel.

(d) The Company shall use its best efforts to conclude as soon as practicable (but in no event later than 60 days from the date of Indemnitee's request for indemnification pursuant to Section 5(a)) any requested determination pursuant to Section 5(c) and shall promptly advise Indemnitee in writing with respect to any determination that

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Indemnitee is or is not entitled to indemnification, including a reasonably detailed description of any reason or basis for which indemnification has been denied. Payment of any applicable Indemnified Amounts shall be made to Indemnitee within five days after any determination of Indemnitee's entitlement to indemnification.

(e) Notwithstanding the foregoing, at any time after 30 days after Indemnitee's request for indemnification pursuant to Section 5(a) (or upon receipt of written notice that a claim for Indemnified Amounts has been rejected, if earlier), and before three years after a claim for Indemnified Amounts has been delivered by Indemnitee to the Company, Indemnitee may petition a court of competent jurisdiction to determine whether Indemnitee is entitled to indemnification under the provisions of this Agreement, and such court shall thereupon have the exclusive authority to make such determination unless and until the court dismisses or otherwise terminates the action without having made such determination. The court shall, as petitioned, make an independent determination of whether Indemnitee is entitled to indemnification as provided under this Agreement, irrespective of any prior determination made by the Board or independent counsel and without being provided or having evidence or testimony regarding any such prior determination. If the court determines that Indemnitee is entitled to indemnification as to any claim, issue or matter involved in the Proceeding with respect to which there has been no prior determination pursuant to this Agreement or with respect to which there has been a prior determination that Indemnitee was not entitled to indemnification hereunder, the Company shall pay all expenses, including attorneys' fees, actually incurred by Indemnitee in connection with obtaining such judicial determination, as well as Indemnified Amounts relating thereto.

(f) Nothing set forth in this Section 5 shall limit or affect the timing or amount, or the right of Indemnitee to payment, of any Advanced Amounts pursuant to Section 4.

#### 6. Agreement Not Exclusive: Subrogation Rights, etc.

(a) This Agreement shall not be deemed exclusive of and shall not diminish any other rights Indemnitee may have to be indemnified, insured or otherwise protected against any liability, cost, expense (including, without limitation, investigation expenses and expert witnesses and attorney's fees), judgment, penalty, fine, excise tax, interest or amount paid or to be paid in settlement by the Company, any subsidiary of the Company, or any other person or entity under any memorandum of association, charter, bylaw, law, agreement, policy of insurance or similar protection, vote of shareholders or directors, disinterested or not, or otherwise, whether or not now in effect, both as to actions in Indemnitee's official capacity with the Company, and as to actions in another capacity while holding such office, including Indemnitee's right to contribution as may be available under applicable law. The Company's obligations to make payments of Indemnified Amounts hereunder shall be satisfied to the extent that payments with respect to the same Proceeding (or part thereof) have been made to or for the benefit of Indemnitee by reason of the indemnification of Indemnitee pursuant to any other arrangement made by the Company for the

benefit of Indemnitee.

(b) If Indemnitee shall actually receive payment from any insurance carrier or from the plaintiff in any Proceeding against Indemnitee in respect of Indemnified Amounts after payments on account of all or part of such Indemnified Amounts have been made

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by the Company pursuant hereto, Indemnitee shall promptly reimburse to the Company the amount, if any, by which the sum of such payment by such insurance carrier or such plaintiff and payments by the Company or pursuant to arrangements made by the Company to Indemnitee exceeds such Indemnified Amounts. Portions, if any, of insurance proceeds that are required to be reimbursed to the insurance carrier under the terms of its insurance policy, such as deductible or co-insurance payments, shall not be deemed to be payments to Indemnitee hereunder. In addition, upon payment of Indemnified Amounts hereunder, the Company shall be subrogated to the rights of Indemnitee receiving such payments (to the extent thereof) against any insurance carrier (to the extent permitted under such insurance policies) or plaintiff in respect of such Indemnified Amounts and Indemnitee shall execute and deliver any and all instruments and documents and perform any and all other acts or deeds that the Company deems reasonably necessary or advisable to secure such rights; provided that the Company reimburses Indemnitee for any costs, expenses or liabilities incurred by it in providing such cooperation. Such right of subrogation shall be terminated upon receipt by the Company of the amount to be reimbursed by Indemnitee pursuant to the first sentence of this Section 6(b).

7. Additional Indemnification Rights. Notwithstanding any other provision of this Agreement, the Company hereby agrees to indemnify Indemnitee to the fullest extent permitted by applicable law, notwithstanding that such indemnification may not be specifically authorized by the other provisions of this Agreement, the Bye-Laws or by statute. If there is any change, after the date of this Agreement, in any applicable law, statute or rule, whether by case law or otherwise, that expands the right of a Bermuda company to indemnify a member of its board of directors, such changes shall be, ipso facto, within the purview of Indemnitee's rights and Company's obligations, under this Agreement. If there is any change in any applicable law, statute or rule that narrows the right of a Bermuda company to indemnify a member of its board of directors, such changes, to the extent not otherwise mandatorily required by such law, statute or rule to be applied to this Agreement, shall have no effect on this Agreement or the parties, rights and obligations hereunder.

#### 8. Insurance.

(a) If the Company maintains directors and officers liability insurance to protect itself and any of its directors or officers against any expense, liability or loss, and such insurance may cover Indemnitee, such insurance shall cover Indemnitee to at least the same extent as any other director or officer of the Company. If at any point (i) such insurance ceases to cover acts and omissions occurring during all or any part of the period of Indemnitee's Indemnified Position or (ii) neither the Company nor any of its subsidiaries maintains any such insurance, the Company shall ensure that Indemnitee is covered, for at least six years (or such shorter period as is available on commercially reasonable terms) from such point, by other directors and officers liability insurance, in amounts and on terms (including the period of Indemnitee's Indemnified Position) no less favorable (or such other commercially reasonable amounts and terms as are available) to Indemnitee than the amounts and terms of the liability insurance maintained by the Company on the date hereof, provided that such insurance is available on commercially reasonable terms.

(b) The Company shall give prompt notice of the commencement of a Proceeding to the insurers in accordance with the procedures set forth in the respective policies.

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The Company shall thereafter take reasonable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

#### 9. Severability. Each of the provisions of this Agreement is a separate

and distinct agreement and independent of the others, so that if any provisions hereof shall be held to be invalid or unenforceable for any reason or under any circumstances, such invalidity or unenforceability shall not affect the validity or enforceability of the other provisions hereof or the application of the invalid or unenforceable provision under other circumstances. Furthermore, to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of this Agreement containing any provision held to be invalid, void or otherwise unenforceable, that is not itself invalid, void or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

10. Further Assurances. The parties shall do, execute and deliver, or shall cause to be done, executed and delivered, all such further acts, documents and things as may be reasonably required for the purpose of giving effect to this Agreement and the transactions contemplated hereby.

11. Successors; Binding Agreement; No Third Party Beneficiaries. This Agreement shall be binding on and shall inure to the benefit of and be enforceable by the Company's successors and assigns and by Indemnitee's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. Except for the foregoing persons and entities, nothing in this Agreement, express or implied, is intended to or shall be deemed to confer upon any person or entity other than the parties hereto any rights or remedies under or by reason of this Agreement or any provision of this Agreement. The Company shall require any successor or assignee (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company, by written agreement in form and substance reasonably satisfactory to the Company and to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession or assignment had taken place.

12. Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original (including facsimile signatures), but all such counterparts shall together constitute one and the same instrument.

13. Corporate Power and Authority; Due Authorization; Valid and Binding Obligation. The Company represents and warrants that (a) it has the corporate power and authority to execute, deliver and perform its obligations under this Agreement, (b) this Agreement has been duly authorized, executed and delivered by the Company, (c) upon the execution and delivery of this Agreement by the Indemnitee, this Agreement will constitute a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, (d) the execution, delivery and performance of its obligations under this Agreement by the Company does not and will not breach, violate or cause a termination, default or acceleration under its Memorandum of Association or Bye-Laws or any agreement, document,

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instrument, policy (insurance or otherwise), or arrangement to which it is a party or is bound and (e) Indemnitee is relying upon this Agreement in serving in an Indemnified Position.

14. Specific Performance. It is specifically understood and agreed that any breach or threatened breach of this Agreement by the Company will result in irreparable injury to Indemnitee, that the remedy at law alone will be an inadequate remedy for such breach or threatened breach and that, in addition to any other remedy for such breach or threatened breach, the Indemnitee shall be entitled to enforce the provisions of this Agreement through both temporary and permanent injunctive relief, without the necessity of (a) proving actual damages, but without limitation of the rights to recover such damages and (b) posting a bond or other security.

15. Miscellaneous. No provision of this Agreement may be modified, waived, or discharged unless the modification, waiver or discharge is agreed to in writing signed by Indemnitee and either the Chairman of the Board or the President of the Company or another officer of the Company specifically designated by the Board. No waiver by either party at any time of any breach by the other party of, or of compliance with, any condition or provision of this Agreement to be performed by the other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same time or at any prior or subsequent time. The assertion or employment of any right or remedy hereunder,

or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party that are not set forth expressly in this Agreement. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of Bermuda, without giving effect to the principles of conflict of laws of that or any other jurisdiction. The headings in this Agreement are for convenience only and shall not affect the interpretation of any provision of this Agreement. All communications under this Agreement shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified; (b) when sent by confirmed facsimile if sent during normal business hours of the recipient; (c) seven days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (d) two days after deposit with an internationally recognized overnight courier, specifying two day or prior delivery, with written verification of receipt. All communications under this Agreement to the (i) Company shall be sent to its principal place of business to the attention of the Secretary and (ii) Indemnitee shall be sent to his residential mailing address on file with the Company.

(The remainder of this page is intentionally left blank.)

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

INDEMNITEE

/s/ Dominic F. Silvester

-----  
Name: Dominic F. Silvester

ENSTAR GROUP LIMITED

By: /s/ Richard J. Harris

-----  
Name: Richard J. Harris  
Title: Chief Financial Officer

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Exhibit A

[Date]

[Company name and Address]

Ladies and Gentlemen:

I have entered into an Indemnification Agreement, made as of January 31, 2007 (the "Indemnification Agreement"), with Enstar Group Limited (formerly known as Castlewood Holdings Limited) (the "Company") pursuant to which I am entitled to advancement of expenses. I understand that the entry into of this undertaking is a condition to the Company's obligations to advance expenses under the Indemnification Agreement.

Please accept this letter as my undertaking to repay Advanced Amounts (as defined in the Indemnification Agreement) if it shall ultimately be determined in a final, nonappealable judgment or decree that I am not entitled to be indemnified by the Company. I agree to repay any amounts to the Company within fifteen business days of any demand therefore pursuant to this undertaking.

This undertaking shall survive any termination or rescission of the Indemnification Agreement, unless agreed otherwise by the Company.

The validity, interpretation, construction and performance of this undertaking shall be governed by the laws of Bermuda, without giving effect to the principles of conflict of laws of that or any other jurisdiction.

Sincerely,

## INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (the "Agreement") is made as of January 31, 2007, between ENSTAR GROUP LIMITED (formerly known as Castlewood Holdings Limited), a company organized under the laws of Bermuda (the "Company"), and PAUL J. O'SHEA ("Indemnitee").

## RECITAL

The Second Amended and Restated Bye-Laws of the Company, as may be amended from time to time (the "Bye-Laws") contain provisions indemnifying the Company's directors and officers with respect to certain liabilities and expenses. Indemnitee is currently serving as a director of the Company's Board of Directors (the "Board"), and the Board has determined that it is in the best interests of the shareholders of the Company for the Company to provide Indemnitee with additional assurance of protection against personal liability pursuant to and in furtherance of the Bye-Laws, as provided in this Agreement.

## AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recital and of other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties, intending to be legally bound, agree as follows:

## 1. Indemnification.

(a) The Company shall hold harmless and indemnify and reimburse Indemnitee against all liabilities, costs, expenses (including without limitation, investigation expenses and expert witnesses' and attorneys' fees), judgments, penalties, fines, excise taxes, interest and amounts paid or to be paid in settlement in connection with any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, administrative hearing, or proceeding (collectively, a "Proceeding"), in which Indemnitee was or is a party or a witness, or is threatened to be made a party or a witness, including without limitation, actions by or in the right of the Company, whether civil, criminal, administrative, regulatory or investigative, by reason that, either before or after the date hereof, Indemnitee is or was a director, officer, employee, agent, fiduciary, or other representative of the Company, or is or was serving while a director, officer, employee, agent, fiduciary, or other representative of the Company at the request of the Company as a director, officer, employee, agent, fiduciary, or other representative of another corporation (for profit or not-for-profit), limited liability company, partnership, joint venture, trust, employee benefit plan or other entity or enterprise ("Indemnified Position"). Notwithstanding anything to the contrary set forth in this Agreement, the term "Proceeding" shall not include any action or proceeding commenced by Indemnitee, other than (i) mandatory counterclaims, (ii) affirmative defenses, (iii) as permitted by the Company and (iv) actions or proceedings to enforce the terms of this Agreement.

(b) If Indemnitee is entitled under this Agreement to indemnification by the Company for a portion of the Indemnified Amounts (defined below) but not for the total

amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled.

(c) The Company shall not settle any Proceeding in any manner which would impose any penalty or limitation of any kind or nature on Indemnitee without Indemnitee's prior written consent.

2. Limitations on Indemnification. Notwithstanding any other provision of this Agreement, Indemnitee shall not be entitled to indemnification under Section 1:

(a) if the claim, obligation or liability with respect to which indemnity is sought shall have been determined by a court of competent jurisdiction, by a final, nonappealable judgment or decree, to have resulted from Indemnitee's fraud or dishonesty;

(b) if a court of competent jurisdiction shall determine, by a final, nonappealable judgment or decree, that such indemnity is prohibited under applicable law;

(c) on account of any suit in which judgment is rendered for an accounting of profits made from the purchase or sale by Indemnitee of securities of the Company in violation of the provisions of Section 16(b) of the Securities Exchange Act of 1934, as amended, and amendments thereto or similar provisions of any U.S. federal or state statutory law or any Bermuda statutory law; or

(d) on account of any suit brought against Indemnitee for misuse or misappropriation of non-public information, or otherwise involving Indemnitee's status as an "insider" of the Company, in connection with any purchase or sale by Indemnitee of securities of the Company, and judgment is rendered against Indemnitee in such suit.

3. Other Indemnification Arrangements. The Company's purchase, establishment and maintenance of insurance or similar protection or other arrangements, including, but not limited to, the Bye-Laws, providing a trust fund, letter of credit or surety bond (collectively, "Indemnification Arrangements") on behalf of Indemnitee against any liability asserted against him or her or incurred by or on his or her behalf in his or her Indemnified Position, whether or not the Company would have the power to indemnify him or her against such liability under the provisions of this Agreement or under applicable law, shall not in any way limit or affect the rights and obligations of the Company or of Indemnitee under this Agreement, and the execution and delivery of this Agreement by the Company and Indemnitee shall not in any way limit or affect the rights and obligations of the Company or the other party or parties thereto under any Indemnification Arrangement. All amounts payable by the Company pursuant to this Section 3 or Section 1 are referred to as "Indemnified Amounts."

#### 4. Advance Payment of Indemnified Amounts.

(a) Subject to Section 4(b), Indemnitee hereby is granted the right to receive in advance of a final, nonappealable judgment or other final, nonappealable adjudication of a Proceeding the amount of any and all expenses, including, without limitation, attorney's

- 2 -

fees, expended or incurred by Indemnitee in connection with any Proceeding (such amounts so expended or incurred, "Advanced Amounts").

(b) In making any request for Advanced Amounts, Indemnitee shall submit to the Company an undertaking by or on behalf of Indemnitee to repay the Advanced Amounts if it shall ultimately be determined in a final, nonappealable judgment or decree that he or she is not entitled to be indemnified by the Company. The undertaking shall be in the form attached hereto as Exhibit A. The Company shall pay to Indemnitee without the need for action by the Board Advanced Amounts within five days of its receipt of appropriate documentation and information evidencing the Advanced Amounts provided that Indemnitee has previously provided the Company with the undertaking required to be provided by Indemnitee pursuant to this Section 4(b).

#### 5. Procedure for Payment of Indemnified Amounts.

(a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request for payment of the appropriate Indemnified Amounts, with such documentation and information to accompany such request as is reasonably available to Indemnitee and reasonably necessary for the Company to determine whether and to what extent Indemnitee is entitled to indemnification.

(b) The Company shall pay Indemnitee the Indemnified Amounts unless it is established that Indemnitee has not met any applicable standard of conduct required in this Agreement or applicable law. For purposes of determining whether Indemnitee is entitled to Indemnified Amounts, in order to deny indemnification to Indemnitee, the Company shall have the burden of proof in establishing that Indemnitee did not meet the applicable standard of conduct required to qualify for indemnification. In this regard, a termination of any Proceeding by judgment, order, plea of nolo contendere, settlement or conviction shall not create a presumption that Indemnitee did not meet the applicable

standard of conduct required to qualify for indemnification.

(c) Any determination that Indemnitee has not met the applicable standard of conduct required to qualify for indemnification shall be made either (i) by the Board by a unanimous vote of all directors who were not parties to the Proceeding or (ii) by independent legal counsel (who may be the outside counsel regularly employed by the Company, so long as it has not advised any party in the subject matter of the Proceeding or the Proceeding itself) approved in advance in writing by both the highest ranking executive officer of the Company who is not party to the Proceeding and by Indemnitee. The fees and expenses of counsel in connection with making the determination contemplated hereunder shall be paid by the Company, and, if requested by such counsel, the Company shall give such counsel an appropriate written agreement with respect to the payment of their fees and expenses and such other matters as may be reasonably requested by such counsel.

(d) The Company shall use its best efforts to conclude as soon as practicable (but in no event later than 60 days from the date of Indemnitee's request for indemnification pursuant to Section 5(a)) any requested determination pursuant to Section 5(c) and shall promptly advise Indemnitee in writing with respect to any determination that

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Indemnitee is or is not entitled to indemnification, including a reasonably detailed description of any reason or basis for which indemnification has been denied. Payment of any applicable Indemnified Amounts shall be made to Indemnitee within five days after any determination of Indemnitee's entitlement to indemnification.

(e) Notwithstanding the foregoing, at any time after 30 days after Indemnitee's request for indemnification pursuant to Section 5(a) (or upon receipt of written notice that a claim for Indemnified Amounts has been rejected, if earlier), and before three years after a claim for Indemnified Amounts has been delivered by Indemnitee to the Company, Indemnitee may petition a court of competent jurisdiction to determine whether Indemnitee is entitled to indemnification under the provisions of this Agreement, and such court shall thereupon have the exclusive authority to make such determination unless and until the court dismisses or otherwise terminates the action without having made such determination. The court shall, as petitioned, make an independent determination of whether Indemnitee is entitled to indemnification as provided under this Agreement, irrespective of any prior determination made by the Board or independent counsel and without being provided or having evidence or testimony regarding any such prior determination. If the court determines that Indemnitee is entitled to indemnification as to any claim, issue or matter involved in the Proceeding with respect to which there has been no prior determination pursuant to this Agreement or with respect to which there has been a prior determination that Indemnitee was not entitled to indemnification hereunder, the Company shall pay all expenses, including attorneys' fees, actually incurred by Indemnitee in connection with obtaining such judicial determination, as well as Indemnified Amounts relating thereto.

(f) Nothing set forth in this Section 5 shall limit or affect the timing or amount, or the right of Indemnitee to payment, of any Advanced Amounts pursuant to Section 4.

#### 6. Agreement Not Exclusive: Subrogation Rights, etc.

(a) This Agreement shall not be deemed exclusive of and shall not diminish any other rights Indemnitee may have to be indemnified, insured or otherwise protected against any liability, cost, expense (including, without limitation, investigation expenses and expert witnesses and attorney's fees), judgment, penalty, fine, excise tax, interest or amount paid or to be paid in settlement by the Company, any subsidiary of the Company, or any other person or entity under any memorandum of association, charter, bylaw, law, agreement, policy of insurance or similar protection, vote of shareholders or directors, disinterested or not, or otherwise, whether or not now in effect, both as to actions in Indemnitee's official capacity with the Company, and as to actions in another capacity while holding such office, including Indemnitee's right to contribution as may be available under applicable law. The Company's obligations to make payments of Indemnified Amounts hereunder shall be satisfied to the extent that payments with respect to the same Proceeding (or part thereof) have been made to or for the benefit of Indemnitee by reason of the indemnification of Indemnitee pursuant to any other arrangement made by the Company for the



benefit of Indemnitee.

(b) If Indemnitee shall actually receive payment from any insurance carrier or from the plaintiff in any Proceeding against Indemnitee in respect of Indemnified Amounts after payments on account of all or part of such Indemnified Amounts have been made

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by the Company pursuant hereto, Indemnitee shall promptly reimburse to the Company the amount, if any, by which the sum of such payment by such insurance carrier or such plaintiff and payments by the Company or pursuant to arrangements made by the Company to Indemnitee exceeds such Indemnified Amounts. Portions, if any, of insurance proceeds that are required to be reimbursed to the insurance carrier under the terms of its insurance policy, such as deductible or co-insurance payments, shall not be deemed to be payments to Indemnitee hereunder. In addition, upon payment of Indemnified Amounts hereunder, the Company shall be subrogated to the rights of Indemnitee receiving such payments (to the extent thereof) against any insurance carrier (to the extent permitted under such insurance policies) or plaintiff in respect of such Indemnified Amounts and Indemnitee shall execute and deliver any and all instruments and documents and perform any and all other acts or deeds that the Company deems reasonably necessary or advisable to secure such rights; provided that the Company reimburses Indemnitee for any costs, expenses or liabilities incurred by it in providing such cooperation. Such right of subrogation shall be terminated upon receipt by the Company of the amount to be reimbursed by Indemnitee pursuant to the first sentence of this Section 6(b).

7. Additional Indemnification Rights. Notwithstanding any other provision of this Agreement, the Company hereby agrees to indemnify Indemnitee to the fullest extent permitted by applicable law, notwithstanding that such indemnification may not be specifically authorized by the other provisions of this Agreement, the Bye-Laws or by statute. If there is any change, after the date of this Agreement, in any applicable law, statute or rule, whether by case law or otherwise, that expands the right of a Bermuda company to indemnify a member of its board of directors, such changes shall be, ipso facto, within the purview of Indemnitee's rights and Company's obligations, under this Agreement. If there is any change in any applicable law, statute or rule that narrows the right of a Bermuda company to indemnify a member of its board of directors, such changes, to the extent not otherwise mandatorily required by such law, statute or rule to be applied to this Agreement, shall have no effect on this Agreement or the parties, rights and obligations hereunder.

#### 8. Insurance.

(a) If the Company maintains directors and officers liability insurance to protect itself and any of its directors or officers against any expense, liability or loss, and such insurance may cover Indemnitee, such insurance shall cover Indemnitee to at least the same extent as any other director or officer of the Company. If at any point (i) such insurance ceases to cover acts and omissions occurring during all or any part of the period of Indemnitee's Indemnified Position or (ii) neither the Company nor any of its subsidiaries maintains any such insurance, the Company shall ensure that Indemnitee is covered, for at least six years (or such shorter period as is available on commercially reasonable terms) from such point, by other directors and officers liability insurance, in amounts and on terms (including the period of Indemnitee's Indemnified Position) no less favorable (or such other commercially reasonable amounts and terms as are available) to Indemnitee than the amounts and terms of the liability insurance maintained by the Company on the date hereof, provided that such insurance is available on commercially reasonable terms.

(b) The Company shall give prompt notice of the commencement of a Proceeding to the insurers in accordance with the procedures set forth in the respective policies.

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The Company shall thereafter take reasonable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

#### 9. Severability. Each of the provisions of this Agreement is a separate

and distinct agreement and independent of the others, so that if any provisions hereof shall be held to be invalid or unenforceable for any reason or under any circumstances, such invalidity or unenforceability shall not affect the validity or enforceability of the other provisions hereof or the application of the invalid or unenforceable provision under other circumstances. Furthermore, to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of this Agreement containing any provision held to be invalid, void or otherwise unenforceable, that is not itself invalid, void or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

10. Further Assurances. The parties shall do, execute and deliver, or shall cause to be done, executed and delivered, all such further acts, documents and things as may be reasonably required for the purpose of giving effect to this Agreement and the transactions contemplated hereby.

11. Successors; Binding Agreement; No Third Party Beneficiaries. This Agreement shall be binding on and shall inure to the benefit of and be enforceable by the Company's successors and assigns and by Indemnitee's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. Except for the foregoing persons and entities, nothing in this Agreement, express or implied, is intended to or shall be deemed to confer upon any person or entity other than the parties hereto any rights or remedies under or by reason of this Agreement or any provision of this Agreement. The Company shall require any successor or assignee (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company, by written agreement in form and substance reasonably satisfactory to the Company and to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession or assignment had taken place.

12. Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original (including facsimile signatures), but all such counterparts shall together constitute one and the same instrument.

13. Corporate Power and Authority; Due Authorization; Valid and Binding Obligation. The Company represents and warrants that (a) it has the corporate power and authority to execute, deliver and perform its obligations under this Agreement, (b) this Agreement has been duly authorized, executed and delivered by the Company, (c) upon the execution and delivery of this Agreement by the Indemnitee, this Agreement will constitute a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, (d) the execution, delivery and performance of its obligations under this Agreement by the Company does not and will not breach, violate or cause a termination, default or acceleration under its Memorandum of Association or Bye-Laws or any agreement, document,

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instrument, policy (insurance or otherwise), or arrangement to which it is a party or is bound and (e) Indemnitee is relying upon this Agreement in serving in an Indemnified Position.

14. Specific Performance. It is specifically understood and agreed that any breach or threatened breach of this Agreement by the Company will result in irreparable injury to Indemnitee, that the remedy at law alone will be an inadequate remedy for such breach or threatened breach and that, in addition to any other remedy for such breach or threatened breach, the Indemnitee shall be entitled to enforce the provisions of this Agreement through both temporary and permanent injunctive relief, without the necessity of (a) proving actual damages, but without limitation of the rights to recover such damages and (b) posting a bond or other security.

15. Miscellaneous. No provision of this Agreement may be modified, waived, or discharged unless the modification, waiver or discharge is agreed to in writing signed by Indemnitee and either the Chairman of the Board or the President of the Company or another officer of the Company specifically designated by the Board. No waiver by either party at any time of any breach by the other party of, or of compliance with, any condition or provision of this Agreement to be performed by the other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same time or at any prior or subsequent time. The assertion or employment of any right or remedy hereunder,

or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party that are not set forth expressly in this Agreement. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of Bermuda, without giving effect to the principles of conflict of laws of that or any other jurisdiction. The headings in this Agreement are for convenience only and shall not affect the interpretation of any provision of this Agreement. All communications under this Agreement shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified; (b) when sent by confirmed facsimile if sent during normal business hours of the recipient; (c) seven days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (d) two days after deposit with an internationally recognized overnight courier, specifying two day or prior delivery, with written verification of receipt. All communications under this Agreement to the (i) Company shall be sent to its principal place of business to the attention of the Secretary and (ii) Indemnitee shall be sent to his residential mailing address on file with the Company.

(The remainder of this page is intentionally left blank.)

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

INDEMNITEE

/s/ Paul J. O'Shea

-----  
Name: Paul J. O'Shea

ENSTAR GROUP LIMITED

By: /s/ Richard J. Harris

-----  
Name: Richard J. Harris  
Title: Chief Financial Officer

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Exhibit A

[Date]

[Company name and Address]

Ladies and Gentlemen:

I have entered into an Indemnification Agreement, made as of January 31, 2007 (the "Indemnification Agreement"), with Enstar Group Limited (formerly known as Castlewood Holdings Limited) (the "Company") pursuant to which I am entitled to advancement of expenses. I understand that the entry into of this undertaking is a condition to the Company's obligations to advance expenses under the Indemnification Agreement.

Please accept this letter as my undertaking to repay Advanced Amounts (as defined in the Indemnification Agreement) if it shall ultimately be determined in a final, nonappealable judgment or decree that I am not entitled to be indemnified by the Company. I agree to repay any amounts to the Company within fifteen business days of any demand therefore pursuant to this undertaking.

This undertaking shall survive any termination or rescission of the Indemnification Agreement, unless agreed otherwise by the Company.

The validity, interpretation, construction and performance of this undertaking shall be governed by the laws of Bermuda, without giving effect to the principles of conflict of laws of that or any other jurisdiction.

Sincerely,

## INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (the "Agreement") is made as of January 31, 2007, between ENSTAR GROUP LIMITED (formerly known as Castlewood Holdings Limited), a company organized under the laws of Bermuda (the "Company"), and NICHOLAS A. PACKER ("Indemnitee").

## RECITAL

The Second Amended and Restated Bye-Laws of the Company, as may be amended from time to time (the "Bye-Laws") contain provisions indemnifying the Company's directors and officers with respect to certain liabilities and expenses. Indemnitee is currently serving as a director of the Company's Board of Directors (the "Board"), and the Board has determined that it is in the best interests of the shareholders of the Company for the Company to provide Indemnitee with additional assurance of protection against personal liability pursuant to and in furtherance of the Bye-Laws, as provided in this Agreement.

## AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recital and of other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties, intending to be legally bound, agree as follows:

## 1. Indemnification.

(a) The Company shall hold harmless and indemnify and reimburse Indemnitee against all liabilities, costs, expenses (including without limitation, investigation expenses and expert witnesses' and attorneys' fees), judgments, penalties, fines, excise taxes, interest and amounts paid or to be paid in settlement in connection with any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, administrative hearing, or proceeding (collectively, a "Proceeding"), in which Indemnitee was or is a party or a witness, or is threatened to be made a party or a witness, including without limitation, actions by or in the right of the Company, whether civil, criminal, administrative, regulatory or investigative, by reason that, either before or after the date hereof, Indemnitee is or was a director, officer, employee, agent, fiduciary, or other representative of the Company, or is or was serving while a director, officer, employee, agent, fiduciary, or other representative of the Company at the request of the Company as a director, officer, employee, agent, fiduciary, or other representative of another corporation (for profit or not-for-profit), limited liability company, partnership, joint venture, trust, employee benefit plan or other entity or enterprise ("Indemnified Position"). Notwithstanding anything to the contrary set forth in this Agreement, the term "Proceeding" shall not include any action or proceeding commenced by Indemnitee, other than (i) mandatory counterclaims, (ii) affirmative defenses, (iii) as permitted by the Company and (iv) actions or proceedings to enforce the terms of this Agreement.

(b) If Indemnitee is entitled under this Agreement to indemnification by the Company for a portion of the Indemnified Amounts (defined below) but not for the total

amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled.

(c) The Company shall not settle any Proceeding in any manner which would impose any penalty or limitation of any kind or nature on Indemnitee without Indemnitee's prior written consent.

2. Limitations on Indemnification. Notwithstanding any other provision of this Agreement, Indemnitee shall not be entitled to indemnification under Section 1:

(a) if the claim, obligation or liability with respect to which indemnity is sought shall have been determined by a court of competent jurisdiction, by a final, nonappealable judgment or decree, to have resulted from Indemnitee's fraud or dishonesty;

(b) if a court of competent jurisdiction shall determine, by a final, nonappealable judgment or decree, that such indemnity is prohibited under applicable law;

(c) on account of any suit in which judgment is rendered for an accounting of profits made from the purchase or sale by Indemnitee of securities of the Company in violation of the provisions of Section 16(b) of the Securities Exchange Act of 1934, as amended, and amendments thereto or similar provisions of any U.S. federal or state statutory law or any Bermuda statutory law; or

(d) on account of any suit brought against Indemnitee for misuse or misappropriation of non-public information, or otherwise involving Indemnitee's status as an "insider" of the Company, in connection with any purchase or sale by Indemnitee of securities of the Company, and judgment is rendered against Indemnitee in such suit.

3. Other Indemnification Arrangements. The Company's purchase, establishment and maintenance of insurance or similar protection or other arrangements, including, but not limited to, the Bye-Laws, providing a trust fund, letter of credit or surety bond (collectively, "Indemnification Arrangements") on behalf of Indemnitee against any liability asserted against him or her or incurred by or on his or her behalf in his or her Indemnified Position, whether or not the Company would have the power to indemnify him or her against such liability under the provisions of this Agreement or under applicable law, shall not in any way limit or affect the rights and obligations of the Company or of Indemnitee under this Agreement, and the execution and delivery of this Agreement by the Company and Indemnitee shall not in any way limit or affect the rights and obligations of the Company or the other party or parties thereto under any Indemnification Arrangement. All amounts payable by the Company pursuant to this Section 3 or Section 1 are referred to as "Indemnified Amounts."

#### 4. Advance Payment of Indemnified Amounts.

(a) Subject to Section 4(b), Indemnitee hereby is granted the right to receive in advance of a final, nonappealable judgment or other final, nonappealable adjudication of a Proceeding the amount of any and all expenses, including, without limitation, attorney's

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fees, expended or incurred by Indemnitee in connection with any Proceeding (such amounts so expended or incurred, "Advanced Amounts").

(b) In making any request for Advanced Amounts, Indemnitee shall submit to the Company an undertaking by or on behalf of Indemnitee to repay the Advanced Amounts if it shall ultimately be determined in a final, nonappealable judgment or decree that he or she is not entitled to be indemnified by the Company. The undertaking shall be in the form attached hereto as Exhibit A. The Company shall pay to Indemnitee without the need for action by the Board Advanced Amounts within five days of its receipt of appropriate documentation and information evidencing the Advanced Amounts provided that Indemnitee has previously provided the Company with the undertaking required to be provided by Indemnitee pursuant to this Section 4(b).

#### 5. Procedure for Payment of Indemnified Amounts.

(a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request for payment of the appropriate Indemnified Amounts, with such documentation and information to accompany such request as is reasonably available to Indemnitee and reasonably necessary for the Company to determine whether and to what extent Indemnitee is entitled to indemnification.

(b) The Company shall pay Indemnitee the Indemnified Amounts unless it is established that Indemnitee has not met any applicable standard of conduct required in this Agreement or applicable law. For purposes of determining whether Indemnitee is entitled to Indemnified Amounts, in order to deny indemnification to Indemnitee, the Company shall have the burden of proof in establishing that Indemnitee did not meet the applicable standard of conduct required to qualify for indemnification. In this regard, a termination of any Proceeding by judgment, order, plea of nolo contendere, settlement or conviction shall not create a presumption that Indemnitee did not meet the applicable

standard of conduct required to qualify for indemnification.

(c) Any determination that Indemnitee has not met the applicable standard of conduct required to qualify for indemnification shall be made either (i) by the Board by a unanimous vote of all directors who were not parties to the Proceeding or (ii) by independent legal counsel (who may be the outside counsel regularly employed by the Company, so long as it has not advised any party in the subject matter of the Proceeding or the Proceeding itself) approved in advance in writing by both the highest ranking executive officer of the Company who is not party to the Proceeding and by Indemnitee. The fees and expenses of counsel in connection with making the determination contemplated hereunder shall be paid by the Company, and, if requested by such counsel, the Company shall give such counsel an appropriate written agreement with respect to the payment of their fees and expenses and such other matters as may be reasonably requested by such counsel.

(d) The Company shall use its best efforts to conclude as soon as practicable (but in no event later than 60 days from the date of Indemnitee's request for indemnification pursuant to Section 5(a)) any requested determination pursuant to Section 5(c) and shall promptly advise Indemnitee in writing with respect to any determination that

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Indemnitee is or is not entitled to indemnification, including a reasonably detailed description of any reason or basis for which indemnification has been denied. Payment of any applicable Indemnified Amounts shall be made to Indemnitee within five days after any determination of Indemnitee's entitlement to indemnification.

(e) Notwithstanding the foregoing, at any time after 30 days after Indemnitee's request for indemnification pursuant to Section 5(a) (or upon receipt of written notice that a claim for Indemnified Amounts has been rejected, if earlier), and before three years after a claim for Indemnified Amounts has been delivered by Indemnitee to the Company, Indemnitee may petition a court of competent jurisdiction to determine whether Indemnitee is entitled to indemnification under the provisions of this Agreement, and such court shall thereupon have the exclusive authority to make such determination unless and until the court dismisses or otherwise terminates the action without having made such determination. The court shall, as petitioned, make an independent determination of whether Indemnitee is entitled to indemnification as provided under this Agreement, irrespective of any prior determination made by the Board or independent counsel and without being provided or having evidence or testimony regarding any such prior determination. If the court determines that Indemnitee is entitled to indemnification as to any claim, issue or matter involved in the Proceeding with respect to which there has been no prior determination pursuant to this Agreement or with respect to which there has been a prior determination that Indemnitee was not entitled to indemnification hereunder, the Company shall pay all expenses, including attorneys' fees, actually incurred by Indemnitee in connection with obtaining such judicial determination, as well as Indemnified Amounts relating thereto.

(f) Nothing set forth in this Section 5 shall limit or affect the timing or amount, or the right of Indemnitee to payment, of any Advanced Amounts pursuant to Section 4.

#### 6. Agreement Not Exclusive: Subrogation Rights, etc.

(a) This Agreement shall not be deemed exclusive of and shall not diminish any other rights Indemnitee may have to be indemnified, insured or otherwise protected against any liability, cost, expense (including, without limitation, investigation expenses and expert witnesses and attorney's fees), judgment, penalty, fine, excise tax, interest or amount paid or to be paid in settlement by the Company, any subsidiary of the Company, or any other person or entity under any memorandum of association, charter, bylaw, law, agreement, policy of insurance or similar protection, vote of shareholders or directors, disinterested or not, or otherwise, whether or not now in effect, both as to actions in Indemnitee's official capacity with the Company, and as to actions in another capacity while holding such office, including Indemnitee's right to contribution as may be available under applicable law. The Company's obligations to make payments of Indemnified Amounts hereunder shall be satisfied to the extent that payments with respect to the same Proceeding (or part thereof) have been made to or for the benefit of Indemnitee by reason of the indemnification of Indemnitee pursuant to any other arrangement made by the Company for the

benefit of Indemnitee.

(b) If Indemnitee shall actually receive payment from any insurance carrier or from the plaintiff in any Proceeding against Indemnitee in respect of Indemnified Amounts after payments on account of all or part of such Indemnified Amounts have been made

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by the Company pursuant hereto, Indemnitee shall promptly reimburse to the Company the amount, if any, by which the sum of such payment by such insurance carrier or such plaintiff and payments by the Company or pursuant to arrangements made by the Company to Indemnitee exceeds such Indemnified Amounts. Portions, if any, of insurance proceeds that are required to be reimbursed to the insurance carrier under the terms of its insurance policy, such as deductible or co-insurance payments, shall not be deemed to be payments to Indemnitee hereunder. In addition, upon payment of Indemnified Amounts hereunder, the Company shall be subrogated to the rights of Indemnitee receiving such payments (to the extent thereof) against any insurance carrier (to the extent permitted under such insurance policies) or plaintiff in respect of such Indemnified Amounts and Indemnitee shall execute and deliver any and all instruments and documents and perform any and all other acts or deeds that the Company deems reasonably necessary or advisable to secure such rights; provided that the Company reimburses Indemnitee for any costs, expenses or liabilities incurred by it in providing such cooperation. Such right of subrogation shall be terminated upon receipt by the Company of the amount to be reimbursed by Indemnitee pursuant to the first sentence of this Section 6(b).

7. Additional Indemnification Rights. Notwithstanding any other provision of this Agreement, the Company hereby agrees to indemnify Indemnitee to the fullest extent permitted by applicable law, notwithstanding that such indemnification may not be specifically authorized by the other provisions of this Agreement, the Bye-Laws or by statute. If there is any change, after the date of this Agreement, in any applicable law, statute or rule, whether by case law or otherwise, that expands the right of a Bermuda company to indemnify a member of its board of directors, such changes shall be, ipso facto, within the purview of Indemnitee's rights and Company's obligations, under this Agreement. If there is any change in any applicable law, statute or rule that narrows the right of a Bermuda company to indemnify a member of its board of directors, such changes, to the extent not otherwise mandatorily required by such law, statute or rule to be applied to this Agreement, shall have no effect on this Agreement or the parties, rights and obligations hereunder.

#### 8. Insurance.

(a) If the Company maintains directors and officers liability insurance to protect itself and any of its directors or officers against any expense, liability or loss, and such insurance may cover Indemnitee, such insurance shall cover Indemnitee to at least the same extent as any other director or officer of the Company. If at any point (i) such insurance ceases to cover acts and omissions occurring during all or any part of the period of Indemnitee's Indemnified Position or (ii) neither the Company nor any of its subsidiaries maintains any such insurance, the Company shall ensure that Indemnitee is covered, for at least six years (or such shorter period as is available on commercially reasonable terms) from such point, by other directors and officers liability insurance, in amounts and on terms (including the period of Indemnitee's Indemnified Position) no less favorable (or such other commercially reasonable amounts and terms as are available) to Indemnitee than the amounts and terms of the liability insurance maintained by the Company on the date hereof, provided that such insurance is available on commercially reasonable terms.

(b) The Company shall give prompt notice of the commencement of a Proceeding to the insurers in accordance with the procedures set forth in the respective policies.

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The Company shall thereafter take reasonable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

#### 9. Severability. Each of the provisions of this Agreement is a separate

and distinct agreement and independent of the others, so that if any provisions hereof shall be held to be invalid or unenforceable for any reason or under any circumstances, such invalidity or unenforceability shall not affect the validity or enforceability of the other provisions hereof or the application of the invalid or unenforceable provision under other circumstances. Furthermore, to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of this Agreement containing any provision held to be invalid, void or otherwise unenforceable, that is not itself invalid, void or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

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11. Successors; Binding Agreement; No Third Party Beneficiaries. This Agreement shall be binding on and shall inure to the benefit of and be enforceable by the Company's successors and assigns and by Indemnitee's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. Except for the foregoing persons and entities, nothing in this Agreement, express or implied, is intended to or shall be deemed to confer upon any person or entity other than the parties hereto any rights or remedies under or by reason of this Agreement or any provision of this Agreement. The Company shall require any successor or assignee (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company, by written agreement in form and substance reasonably satisfactory to the Company and to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession or assignment had taken place.

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instrument, policy (insurance or otherwise), or arrangement to which it is a party or is bound and (e) Indemnitee is relying upon this Agreement in serving in an Indemnified Position.

14. Specific Performance. It is specifically understood and agreed that any breach or threatened breach of this Agreement by the Company will result in irreparable injury to Indemnitee, that the remedy at law alone will be an inadequate remedy for such breach or threatened breach and that, in addition to any other remedy for such breach or threatened breach, the Indemnitee shall be entitled to enforce the provisions of this Agreement through both temporary and permanent injunctive relief, without the necessity of (a) proving actual damages, but without limitation of the rights to recover such damages and (b) posting a bond or other security.

15. Miscellaneous. No provision of this Agreement may be modified, waived, or discharged unless the modification, waiver or discharge is agreed to in writing signed by Indemnitee and either the Chairman of the Board or the President of the Company or another officer of the Company specifically designated by the Board. No waiver by either party at any time of any breach by the other party of, or of compliance with, any condition or provision of this Agreement to be performed by the other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same time or at any prior or subsequent time. The assertion or employment of any right or remedy hereunder,



or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party that are not set forth expressly in this Agreement. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of Bermuda, without giving effect to the principles of conflict of laws of that or any other jurisdiction. The headings in this Agreement are for convenience only and shall not affect the interpretation of any provision of this Agreement. All communications under this Agreement shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified; (b) when sent by confirmed facsimile if sent during normal business hours of the recipient; (c) seven days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (d) two days after deposit with an internationally recognized overnight courier, specifying two day or prior delivery, with written verification of receipt. All communications under this Agreement to the (i) Company shall be sent to its principal place of business to the attention of the Secretary and (ii) Indemnitee shall be sent to his residential mailing address on file with the Company.

(The remainder of this page is intentionally left blank.)

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

INDEMNITEE

/s/ Nicholas A. Packer

-----  
Name: Nicholas A. Packer

ENSTAR GROUP LIMITED

By: /s/ Richard J. Harris

-----  
Name: Richard J. Harris  
Title: Chief Financial Officer

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Exhibit A

[Date]

[Company name and Address]

Ladies and Gentlemen:

I have entered into an Indemnification Agreement, made as of January 31, 2007 (the "Indemnification Agreement"), with Enstar Group Limited (formerly known as Castlewood Holdings Limited) (the "Company") pursuant to which I am entitled to advancement of expenses. I understand that the entry into of this undertaking is a condition to the Company's obligations to advance expenses under the Indemnification Agreement.

Please accept this letter as my undertaking to repay Advanced Amounts (as defined in the Indemnification Agreement) if it shall ultimately be determined in a final, nonappealable judgment or decree that I am not entitled to be indemnified by the Company. I agree to repay any amounts to the Company within fifteen business days of any demand therefore pursuant to this undertaking.

This undertaking shall survive any termination or rescission of the Indemnification Agreement, unless agreed otherwise by the Company.

The validity, interpretation, construction and performance of this undertaking shall be governed by the laws of Bermuda, without giving effect to the principles of conflict of laws of that or any other jurisdiction.

Sincerely,

## INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (the "Agreement") is made as of January 31, 2007, between ENSTAR GROUP LIMITED (formerly known as Castlewood Holdings Limited), a company organized under the laws of Bermuda (the "Company"), and J. CHRISTOPHER FLOWERS ("Indemnitee").

## RECITAL

The Second Amended and Restated Bye-Laws of the Company, as may be amended from time to time (the "Bye-Laws") contain provisions indemnifying the Company's directors and officers with respect to certain liabilities and expenses. Indemnitee is currently serving as a director of the Company's Board of Directors (the "Board"), and the Board has determined that it is in the best interests of the shareholders of the Company for the Company to provide Indemnitee with additional assurance of protection against personal liability pursuant to and in furtherance of the Bye-Laws, as provided in this Agreement.

## AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recital and of other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties, intending to be legally bound, agree as follows:

## 1. Indemnification.

(a) The Company shall hold harmless and indemnify and reimburse Indemnitee against all liabilities, costs, expenses (including without limitation, investigation expenses and expert witnesses' and attorneys' fees), judgments, penalties, fines, excise taxes, interest and amounts paid or to be paid in settlement in connection with any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, administrative hearing, or proceeding (collectively, a "Proceeding"), in which Indemnitee was or is a party or a witness, or is threatened to be made a party or a witness, including without limitation, actions by or in the right of the Company, whether civil, criminal, administrative, regulatory or investigative, by reason that, either before or after the date hereof, Indemnitee is or was a director, officer, employee, agent, fiduciary, or other representative of the Company, or is or was serving while a director, officer, employee, agent, fiduciary, or other representative of the Company at the request of the Company as a director, officer, employee, agent, fiduciary, or other representative of another corporation (for profit or not-for-profit), limited liability company, partnership, joint venture, trust, employee benefit plan or other entity or enterprise ("Indemnified Position"). Notwithstanding anything to the contrary set forth in this Agreement, the term "Proceeding" shall not include any action or proceeding commenced by Indemnitee, other than (i) mandatory counterclaims, (ii) affirmative defenses, (iii) as permitted by the Company and (iv) actions or proceedings to enforce the terms of this Agreement.

(b) If Indemnitee is entitled under this Agreement to indemnification by the Company for a portion of the Indemnified Amounts (defined below) but not for the total

amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled.

(c) The Company shall not settle any Proceeding in any manner which would impose any penalty or limitation of any kind or nature on Indemnitee without Indemnitee's prior written consent.

2. Limitations on Indemnification. Notwithstanding any other provision of this Agreement, Indemnitee shall not be entitled to indemnification under Section 1:

(a) if the claim, obligation or liability with respect to which indemnity is sought shall have been determined by a court of competent jurisdiction, by a final, nonappealable judgment or decree, to have resulted from Indemnitee's fraud or dishonesty;

(b) if a court of competent jurisdiction shall determine, by a final, nonappealable judgment or decree, that such indemnity is prohibited under applicable law;

(c) on account of any suit in which judgment is rendered for an accounting of profits made from the purchase or sale by Indemnitee of securities of the Company in violation of the provisions of Section 16(b) of the Securities Exchange Act of 1934, as amended, and amendments thereto or similar provisions of any U.S. federal or state statutory law or any Bermuda statutory law; or

(d) on account of any suit brought against Indemnitee for misuse or misappropriation of non-public information, or otherwise involving Indemnitee's status as an "insider" of the Company, in connection with any purchase or sale by Indemnitee of securities of the Company, and judgment is rendered against Indemnitee in such suit.

3. Other Indemnification Arrangements. The Company's purchase, establishment and maintenance of insurance or similar protection or other arrangements, including, but not limited to, the Bye-Laws, providing a trust fund, letter of credit or surety bond (collectively, "Indemnification Arrangements") on behalf of Indemnitee against any liability asserted against him or her or incurred by or on his or her behalf in his or her Indemnified Position, whether or not the Company would have the power to indemnify him or her against such liability under the provisions of this Agreement or under applicable law, shall not in any way limit or affect the rights and obligations of the Company or of Indemnitee under this Agreement, and the execution and delivery of this Agreement by the Company and Indemnitee shall not in any way limit or affect the rights and obligations of the Company or the other party or parties thereto under any Indemnification Arrangement. All amounts payable by the Company pursuant to this Section 3 or Section 1 are referred to as "Indemnified Amounts."

#### 4. Advance Payment of Indemnified Amounts.

(a) Subject to Section 4(b), Indemnitee hereby is granted the right to receive in advance of a final, nonappealable judgment or other final, nonappealable adjudication of a Proceeding the amount of any and all expenses, including, without limitation, attorney's

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fees, expended or incurred by Indemnitee in connection with any Proceeding (such amounts so expended or incurred, "Advanced Amounts").

(b) In making any request for Advanced Amounts, Indemnitee shall submit to the Company an undertaking by or on behalf of Indemnitee to repay the Advanced Amounts if it shall ultimately be determined in a final, nonappealable judgment or decree that he or she is not entitled to be indemnified by the Company. The undertaking shall be in the form attached hereto as Exhibit A. The Company shall pay to Indemnitee without the need for action by the Board Advanced Amounts within five days of its receipt of appropriate documentation and information evidencing the Advanced Amounts provided that Indemnitee has previously provided the Company with the undertaking required to be provided by Indemnitee pursuant to this Section 4(b).

#### 5. Procedure for Payment of Indemnified Amounts.

(a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request for payment of the appropriate Indemnified Amounts, with such documentation and information to accompany such request as is reasonably available to Indemnitee and reasonably necessary for the Company to determine whether and to what extent Indemnitee is entitled to indemnification.

(b) The Company shall pay Indemnitee the Indemnified Amounts unless it is established that Indemnitee has not met any applicable standard of conduct required in this Agreement or applicable law. For purposes of determining whether Indemnitee is entitled to Indemnified Amounts, in order to deny indemnification to Indemnitee, the Company shall have the burden of proof in establishing that Indemnitee did not meet the applicable standard of conduct required to qualify for indemnification. In this regard, a termination of any Proceeding by judgment, order, plea of nolo contendere, settlement or conviction shall not create a presumption that Indemnitee did not meet the applicable

standard of conduct required to qualify for indemnification.

(c) Any determination that Indemnitee has not met the applicable standard of conduct required to qualify for indemnification shall be made either (i) by the Board by a unanimous vote of all directors who were not parties to the Proceeding or (ii) by independent legal counsel (who may be the outside counsel regularly employed by the Company, so long as it has not advised any party in the subject matter of the Proceeding or the Proceeding itself) approved in advance in writing by both the highest ranking executive officer of the Company who is not party to the Proceeding and by Indemnitee. The fees and expenses of counsel in connection with making the determination contemplated hereunder shall be paid by the Company, and, if requested by such counsel, the Company shall give such counsel an appropriate written agreement with respect to the payment of their fees and expenses and such other matters as may be reasonably requested by such counsel.

(d) The Company shall use its best efforts to conclude as soon as practicable (but in no event later than 60 days from the date of Indemnitee's request for indemnification pursuant to Section 5(a)) any requested determination pursuant to Section 5(c) and shall promptly advise Indemnitee in writing with respect to any determination that

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Indemnitee is or is not entitled to indemnification, including a reasonably detailed description of any reason or basis for which indemnification has been denied. Payment of any applicable Indemnified Amounts shall be made to Indemnitee within five days after any determination of Indemnitee's entitlement to indemnification.

(e) Notwithstanding the foregoing, at any time after 30 days after Indemnitee's request for indemnification pursuant to Section 5(a) (or upon receipt of written notice that a claim for Indemnified Amounts has been rejected, if earlier), and before three years after a claim for Indemnified Amounts has been delivered by Indemnitee to the Company, Indemnitee may petition a court of competent jurisdiction to determine whether Indemnitee is entitled to indemnification under the provisions of this Agreement, and such court shall thereupon have the exclusive authority to make such determination unless and until the court dismisses or otherwise terminates the action without having made such determination. The court shall, as petitioned, make an independent determination of whether Indemnitee is entitled to indemnification as provided under this Agreement, irrespective of any prior determination made by the Board or independent counsel and without being provided or having evidence or testimony regarding any such prior determination. If the court determines that Indemnitee is entitled to indemnification as to any claim, issue or matter involved in the Proceeding with respect to which there has been no prior determination pursuant to this Agreement or with respect to which there has been a prior determination that Indemnitee was not entitled to indemnification hereunder, the Company shall pay all expenses, including attorneys' fees, actually incurred by Indemnitee in connection with obtaining such judicial determination, as well as Indemnified Amounts relating thereto.

(f) Nothing set forth in this Section 5 shall limit or affect the timing or amount, or the right of Indemnitee to payment, of any Advanced Amounts pursuant to Section 4.

#### 6. Agreement Not Exclusive: Subrogation Rights, etc.

(a) This Agreement shall not be deemed exclusive of and shall not diminish any other rights Indemnitee may have to be indemnified, insured or otherwise protected against any liability, cost, expense (including, without limitation, investigation expenses and expert witnesses and attorney's fees), judgment, penalty, fine, excise tax, interest or amount paid or to be paid in settlement by the Company, any subsidiary of the Company, or any other person or entity under any memorandum of association, charter, bylaw, law, agreement, policy of insurance or similar protection, vote of shareholders or directors, disinterested or not, or otherwise, whether or not now in effect, both as to actions in Indemnitee's official capacity with the Company, and as to actions in another capacity while holding such office, including Indemnitee's right to contribution as may be available under applicable law. The Company's obligations to make payments of Indemnified Amounts hereunder shall be satisfied to the extent that payments with respect to the same Proceeding (or part thereof) have been made to or for the benefit of Indemnitee by reason of the indemnification of Indemnitee pursuant to any other arrangement made by the Company for the

benefit of Indemnitee.

(b) If Indemnitee shall actually receive payment from any insurance carrier or from the plaintiff in any Proceeding against Indemnitee in respect of Indemnified Amounts after payments on account of all or part of such Indemnified Amounts have been made

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by the Company pursuant hereto, Indemnitee shall promptly reimburse to the Company the amount, if any, by which the sum of such payment by such insurance carrier or such plaintiff and payments by the Company or pursuant to arrangements made by the Company to Indemnitee exceeds such Indemnified Amounts. Portions, if any, of insurance proceeds that are required to be reimbursed to the insurance carrier under the terms of its insurance policy, such as deductible or co-insurance payments, shall not be deemed to be payments to Indemnitee hereunder. In addition, upon payment of Indemnified Amounts hereunder, the Company shall be subrogated to the rights of Indemnitee receiving such payments (to the extent thereof) against any insurance carrier (to the extent permitted under such insurance policies) or plaintiff in respect of such Indemnified Amounts and Indemnitee shall execute and deliver any and all instruments and documents and perform any and all other acts or deeds that the Company deems reasonably necessary or advisable to secure such rights; provided that the Company reimburses Indemnitee for any costs, expenses or liabilities incurred by it in providing such cooperation. Such right of subrogation shall be terminated upon receipt by the Company of the amount to be reimbursed by Indemnitee pursuant to the first sentence of this Section 6(b).

7. Additional Indemnification Rights. Notwithstanding any other provision of this Agreement, the Company hereby agrees to indemnify Indemnitee to the fullest extent permitted by applicable law, notwithstanding that such indemnification may not be specifically authorized by the other provisions of this Agreement, the Bye-Laws or by statute. If there is any change, after the date of this Agreement, in any applicable law, statute or rule, whether by case law or otherwise, that expands the right of a Bermuda company to indemnify a member of its board of directors, such changes shall be, ipso facto, within the purview of Indemnitee's rights and Company's obligations, under this Agreement. If there is any change in any applicable law, statute or rule that narrows the right of a Bermuda company to indemnify a member of its board of directors, such changes, to the extent not otherwise mandatorily required by such law, statute or rule to be applied to this Agreement, shall have no effect on this Agreement or the parties, rights and obligations hereunder.

#### 8. Insurance.

(a) If the Company maintains directors and officers liability insurance to protect itself and any of its directors or officers against any expense, liability or loss, and such insurance may cover Indemnitee, such insurance shall cover Indemnitee to at least the same extent as any other director or officer of the Company. If at any point (i) such insurance ceases to cover acts and omissions occurring during all or any part of the period of Indemnitee's Indemnified Position or (ii) neither the Company nor any of its subsidiaries maintains any such insurance, the Company shall ensure that Indemnitee is covered, for at least six years (or such shorter period as is available on commercially reasonable terms) from such point, by other directors and officers liability insurance, in amounts and on terms (including the period of Indemnitee's Indemnified Position) no less favorable (or such other commercially reasonable amounts and terms as are available) to Indemnitee than the amounts and terms of the liability insurance maintained by the Company on the date hereof, provided that such insurance is available on commercially reasonable terms.

(b) The Company shall give prompt notice of the commencement of a Proceeding to the insurers in accordance with the procedures set forth in the respective policies.

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The Company shall thereafter take reasonable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

#### 9. Severability. Each of the provisions of this Agreement is a separate

and distinct agreement and independent of the others, so that if any provisions hereof shall be held to be invalid or unenforceable for any reason or under any circumstances, such invalidity or unenforceability shall not affect the validity or enforceability of the other provisions hereof or the application of the invalid or unenforceable provision under other circumstances. Furthermore, to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of this Agreement containing any provision held to be invalid, void or otherwise unenforceable, that is not itself invalid, void or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

10. Further Assurances. The parties shall do, execute and deliver, or shall cause to be done, executed and delivered, all such further acts, documents and things as may be reasonably required for the purpose of giving effect to this Agreement and the transactions contemplated hereby.

11. Successors; Binding Agreement; No Third Party Beneficiaries. This Agreement shall be binding on and shall inure to the benefit of and be enforceable by the Company's successors and assigns and by Indemnitee's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. Except for the foregoing persons and entities, nothing in this Agreement, express or implied, is intended to or shall be deemed to confer upon any person or entity other than the parties hereto any rights or remedies under or by reason of this Agreement or any provision of this Agreement. The Company shall require any successor or assignee (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company, by written agreement in form and substance reasonably satisfactory to the Company and to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession or assignment had taken place.

12. Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original (including facsimile signatures), but all such counterparts shall together constitute one and the same instrument.

13. Corporate Power and Authority; Due Authorization; Valid and Binding Obligation. The Company represents and warrants that (a) it has the corporate power and authority to execute, deliver and perform its obligations under this Agreement, (b) this Agreement has been duly authorized, executed and delivered by the Company, (c) upon the execution and delivery of this Agreement by the Indemnitee, this Agreement will constitute a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, (d) the execution, delivery and performance of its obligations under this Agreement by the Company does not and will not breach, violate or cause a termination, default or acceleration under its Memorandum of Association or Bye-Laws or any agreement, document,

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instrument, policy (insurance or otherwise), or arrangement to which it is a party or is bound and (e) Indemnitee is relying upon this Agreement in serving in an Indemnified Position.

14. Specific Performance. It is specifically understood and agreed that any breach or threatened breach of this Agreement by the Company will result in irreparable injury to Indemnitee, that the remedy at law alone will be an inadequate remedy for such breach or threatened breach and that, in addition to any other remedy for such breach or threatened breach, the Indemnitee shall be entitled to enforce the provisions of this Agreement through both temporary and permanent injunctive relief, without the necessity of (a) proving actual damages, but without limitation of the rights to recover such damages and (b) posting a bond or other security.

15. Miscellaneous. No provision of this Agreement may be modified, waived, or discharged unless the modification, waiver or discharge is agreed to in writing signed by Indemnitee and either the Chairman of the Board or the President of the Company or another officer of the Company specifically designated by the Board. No waiver by either party at any time of any breach by the other party of, or of compliance with, any condition or provision of this Agreement to be performed by the other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same time or at any prior or subsequent time. The assertion or employment of any right or remedy hereunder,

or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party that are not set forth expressly in this Agreement. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of Bermuda, without giving effect to the principles of conflict of laws of that or any other jurisdiction. The headings in this Agreement are for convenience only and shall not affect the interpretation of any provision of this Agreement. All communications under this Agreement shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified; (b) when sent by confirmed facsimile if sent during normal business hours of the recipient; (c) seven days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (d) two days after deposit with an internationally recognized overnight courier, specifying two day or prior delivery, with written verification of receipt. All communications under this Agreement to the (i) Company shall be sent to its principal place of business to the attention of the Secretary and (ii) Indemnitee shall be sent to his residential mailing address on file with the Company.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

INDEMNITEE

/s/ J. Christopher Flowers

-----  
Name: J. Christopher Flowers

ENSTAR GROUP LIMITED

By: /s/ Richard J. Harris

-----  
Name: Richard J. Harris  
Title: Chief Financial Officer

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Exhibit A

[Date]

[Company name and Address]

Ladies and Gentlemen:

I have entered into an Indemnification Agreement, made as of January 31, 2007 (the "Indemnification Agreement"), with Enstar Group Limited (formerly known as Castlewood Holdings Limited) (the "Company") pursuant to which I am entitled to advancement of expenses. I understand that the entry into of this undertaking is a condition to the Company's obligations to advance expenses under the Indemnification Agreement.

Please accept this letter as my undertaking to repay Advanced Amounts (as defined in the Indemnification Agreement) if it shall ultimately be determined in a final, nonappealable judgment or decree that I am not entitled to be indemnified by the Company. I agree to repay any amounts to the Company within fifteen business days of any demand therefore pursuant to this undertaking.

This undertaking shall survive any termination or rescission of the Indemnification Agreement, unless agreed otherwise by the Company.

The validity, interpretation, construction and performance of this undertaking shall be governed by the laws of Bermuda, without giving effect to the principles of conflict of laws of that or any other jurisdiction.

Sincerely,

## INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (the "Agreement") is made as of January 31, 2007, between ENSTAR GROUP LIMITED (formerly known as Castlewood Holdings Limited), a company organized under the laws of Bermuda (the "Company"), and JOHN J. OROS ("Indemnitee").

## RECITAL

The Second Amended and Restated Bye-Laws of the Company, as may be amended from time to time (the "Bye-Laws") contain provisions indemnifying the Company's directors and officers with respect to certain liabilities and expenses. Indemnitee is currently serving as a director of the Company's Board of Directors (the "Board"), and the Board has determined that it is in the best interests of the shareholders of the Company for the Company to provide Indemnitee with additional assurance of protection against personal liability pursuant to and in furtherance of the Bye-Laws, as provided in this Agreement.

## AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recital and of other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties, intending to be legally bound, agree as follows:

## 1. Indemnification.

(a) The Company shall hold harmless and indemnify and reimburse Indemnitee against all liabilities, costs, expenses (including without limitation, investigation expenses and expert witnesses' and attorneys' fees), judgments, penalties, fines, excise taxes, interest and amounts paid or to be paid in settlement in connection with any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, administrative hearing, or proceeding (collectively, a "Proceeding"), in which Indemnitee was or is a party or a witness, or is threatened to be made a party or a witness, including without limitation, actions by or in the right of the Company, whether civil, criminal, administrative, regulatory or investigative, by reason that, either before or after the date hereof, Indemnitee is or was a director, officer, employee, agent, fiduciary, or other representative of the Company, or is or was serving while a director, officer, employee, agent, fiduciary, or other representative of the Company at the request of the Company as a director, officer, employee, agent, fiduciary, or other representative of another corporation (for profit or not-for-profit), limited liability company, partnership, joint venture, trust, employee benefit plan or other entity or enterprise ("Indemnified Position"). Notwithstanding anything to the contrary set forth in this Agreement, the term "Proceeding" shall not include any action or proceeding commenced by Indemnitee, other than (i) mandatory counterclaims, (ii) affirmative defenses, (iii) as permitted by the Company and (iv) actions or proceedings to enforce the terms of this Agreement.

(b) If Indemnitee is entitled under this Agreement to indemnification by the Company for a portion of the Indemnified Amounts (defined below) but not for the total

amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled.

(c) The Company shall not settle any Proceeding in any manner which would impose any penalty or limitation of any kind or nature on Indemnitee without Indemnitee's prior written consent.

2. Limitations on Indemnification. Notwithstanding any other provision of this Agreement, Indemnitee shall not be entitled to indemnification under Section 1:

(a) if the claim, obligation or liability with respect to which indemnity is sought shall have been determined by a court of competent jurisdiction, by a final, nonappealable judgment or decree, to have resulted from Indemnitee's fraud or dishonesty;



(b) if a court of competent jurisdiction shall determine, by a final, nonappealable judgment or decree, that such indemnity is prohibited under applicable law;

(c) on account of any suit in which judgment is rendered for an accounting of profits made from the purchase or sale by Indemnitee of securities of the Company in violation of the provisions of Section 16(b) of the Securities Exchange Act of 1934, as amended, and amendments thereto or similar provisions of any U.S. federal or state statutory law or any Bermuda statutory law; or

(d) on account of any suit brought against Indemnitee for misuse or misappropriation of non-public information, or otherwise involving Indemnitee's status as an "insider" of the Company, in connection with any purchase or sale by Indemnitee of securities of the Company, and judgment is rendered against Indemnitee in such suit.

3. Other Indemnification Arrangements. The Company's purchase, establishment and maintenance of insurance or similar protection or other arrangements, including, but not limited to, the Bye-Laws, providing a trust fund, letter of credit or surety bond (collectively, "Indemnification Arrangements") on behalf of Indemnitee against any liability asserted against him or her or incurred by or on his or her behalf in his or her Indemnified Position, whether or not the Company would have the power to indemnify him or her against such liability under the provisions of this Agreement or under applicable law, shall not in any way limit or affect the rights and obligations of the Company or of Indemnitee under this Agreement, and the execution and delivery of this Agreement by the Company and Indemnitee shall not in any way limit or affect the rights and obligations of the Company or the other party or parties thereto under any Indemnification Arrangement. All amounts payable by the Company pursuant to this Section 3 or Section 1 are referred to as "Indemnified Amounts."

#### 4. Advance Payment of Indemnified Amounts.

(a) Subject to Section 4(b), Indemnitee hereby is granted the right to receive in advance of a final, nonappealable judgment or other final, nonappealable adjudication of a Proceeding the amount of any and all expenses, including, without limitation, attorney's

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fees, expended or incurred by Indemnitee in connection with any Proceeding (such amounts so expended or incurred, "Advanced Amounts").

(b) In making any request for Advanced Amounts, Indemnitee shall submit to the Company an undertaking by or on behalf of Indemnitee to repay the Advanced Amounts if it shall ultimately be determined in a final, nonappealable judgment or decree that he or she is not entitled to be indemnified by the Company. The undertaking shall be in the form attached hereto as Exhibit A. The Company shall pay to Indemnitee without the need for action by the Board Advanced Amounts within five days of its receipt of appropriate documentation and information evidencing the Advanced Amounts provided that Indemnitee has previously provided the Company with the undertaking required to be provided by Indemnitee pursuant to this Section 4(b).

#### 5. Procedure for Payment of Indemnified Amounts.

(a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request for payment of the appropriate Indemnified Amounts, with such documentation and information to accompany such request as is reasonably available to Indemnitee and reasonably necessary for the Company to determine whether and to what extent Indemnitee is entitled to indemnification.

(b) The Company shall pay Indemnitee the Indemnified Amounts unless it is established that Indemnitee has not met any applicable standard of conduct required in this Agreement or applicable law. For purposes of determining whether Indemnitee is entitled to Indemnified Amounts, in order to deny indemnification to Indemnitee, the Company shall have the burden of proof in establishing that Indemnitee did not meet the applicable standard of conduct required to qualify for indemnification. In this regard, a termination of any Proceeding by judgment, order, plea of nolo contendere, settlement or conviction shall not create a presumption that Indemnitee did not meet the applicable

standard of conduct required to qualify for indemnification.

(c) Any determination that Indemnitee has not met the applicable standard of conduct required to qualify for indemnification shall be made either (i) by the Board by a unanimous vote of all directors who were not parties to the Proceeding or (ii) by independent legal counsel (who may be the outside counsel regularly employed by the Company, so long as it has not advised any party in the subject matter of the Proceeding or the Proceeding itself) approved in advance in writing by both the highest ranking executive officer of the Company who is not party to the Proceeding and by Indemnitee. The fees and expenses of counsel in connection with making the determination contemplated hereunder shall be paid by the Company, and, if requested by such counsel, the Company shall give such counsel an appropriate written agreement with respect to the payment of their fees and expenses and such other matters as may be reasonably requested by such counsel.

(d) The Company shall use its best efforts to conclude as soon as practicable (but in no event later than 60 days from the date of Indemnitee's request for indemnification pursuant to Section 5(a)) any requested determination pursuant to Section 5(c) and shall promptly advise Indemnitee in writing with respect to any determination that

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Indemnitee is or is not entitled to indemnification, including a reasonably detailed description of any reason or basis for which indemnification has been denied. Payment of any applicable Indemnified Amounts shall be made to Indemnitee within five days after any determination of Indemnitee's entitlement to indemnification.

(e) Notwithstanding the foregoing, at any time after 30 days after Indemnitee's request for indemnification pursuant to Section 5(a) (or upon receipt of written notice that a claim for Indemnified Amounts has been rejected, if earlier), and before three years after a claim for Indemnified Amounts has been delivered by Indemnitee to the Company, Indemnitee may petition a court of competent jurisdiction to determine whether Indemnitee is entitled to indemnification under the provisions of this Agreement, and such court shall thereupon have the exclusive authority to make such determination unless and until the court dismisses or otherwise terminates the action without having made such determination. The court shall, as petitioned, make an independent determination of whether Indemnitee is entitled to indemnification as provided under this Agreement, irrespective of any prior determination made by the Board or independent counsel and without being provided or having evidence or testimony regarding any such prior determination. If the court determines that Indemnitee is entitled to indemnification as to any claim, issue or matter involved in the Proceeding with respect to which there has been no prior determination pursuant to this Agreement or with respect to which there has been a prior determination that Indemnitee was not entitled to indemnification hereunder, the Company shall pay all expenses, including attorneys' fees, actually incurred by Indemnitee in connection with obtaining such judicial determination, as well as Indemnified Amounts relating thereto.

(f) Nothing set forth in this Section 5 shall limit or affect the timing or amount, or the right of Indemnitee to payment, of any Advanced Amounts pursuant to Section 4.

#### 6. Agreement Not Exclusive: Subrogation Rights, etc.

(a) This Agreement shall not be deemed exclusive of and shall not diminish any other rights Indemnitee may have to be indemnified, insured or otherwise protected against any liability, cost, expense (including, without limitation, investigation expenses and expert witnesses and attorney's fees), judgment, penalty, fine, excise tax, interest or amount paid or to be paid in settlement by the Company, any subsidiary of the Company, or any other person or entity under any memorandum of association, charter, bylaw, law, agreement, policy of insurance or similar protection, vote of shareholders or directors, disinterested or not, or otherwise, whether or not now in effect, both as to actions in Indemnitee's official capacity with the Company, and as to actions in another capacity while holding such office, including Indemnitee's right to contribution as may be available under applicable law. The Company's obligations to make payments of Indemnified Amounts hereunder shall be satisfied to the extent that payments with respect to the same Proceeding (or part thereof) have been made to or for the benefit of Indemnitee by reason of the indemnification of Indemnitee pursuant to any other arrangement made by the Company for the

benefit of Indemnitee.

(b) If Indemnitee shall actually receive payment from any insurance carrier or from the plaintiff in any Proceeding against Indemnitee in respect of Indemnified Amounts after payments on account of all or part of such Indemnified Amounts have been made

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by the Company pursuant hereto, Indemnitee shall promptly reimburse to the Company the amount, if any, by which the sum of such payment by such insurance carrier or such plaintiff and payments by the Company or pursuant to arrangements made by the Company to Indemnitee exceeds such Indemnified Amounts. Portions, if any, of insurance proceeds that are required to be reimbursed to the insurance carrier under the terms of its insurance policy, such as deductible or co-insurance payments, shall not be deemed to be payments to Indemnitee hereunder. In addition, upon payment of Indemnified Amounts hereunder, the Company shall be subrogated to the rights of Indemnitee receiving such payments (to the extent thereof) against any insurance carrier (to the extent permitted under such insurance policies) or plaintiff in respect of such Indemnified Amounts and Indemnitee shall execute and deliver any and all instruments and documents and perform any and all other acts or deeds that the Company deems reasonably necessary or advisable to secure such rights; provided that the Company reimburses Indemnitee for any costs, expenses or liabilities incurred by it in providing such cooperation. Such right of subrogation shall be terminated upon receipt by the Company of the amount to be reimbursed by Indemnitee pursuant to the first sentence of this Section 6(b).

7. Additional Indemnification Rights. Notwithstanding any other provision of this Agreement, the Company hereby agrees to indemnify Indemnitee to the fullest extent permitted by applicable law, notwithstanding that such indemnification may not be specifically authorized by the other provisions of this Agreement, the Bye-Laws or by statute. If there is any change, after the date of this Agreement, in any applicable law, statute or rule, whether by case law or otherwise, that expands the right of a Bermuda company to indemnify a member of its board of directors, such changes shall be, ipso facto, within the purview of Indemnitee's rights and Company's obligations, under this Agreement. If there is any change in any applicable law, statute or rule that narrows the right of a Bermuda company to indemnify a member of its board of directors, such changes, to the extent not otherwise mandatorily required by such law, statute or rule to be applied to this Agreement, shall have no effect on this Agreement or the parties, rights and obligations hereunder.

#### 8. Insurance.

(a) If the Company maintains directors and officers liability insurance to protect itself and any of its directors or officers against any expense, liability or loss, and such insurance may cover Indemnitee, such insurance shall cover Indemnitee to at least the same extent as any other director or officer of the Company. If at any point (i) such insurance ceases to cover acts and omissions occurring during all or any part of the period of Indemnitee's Indemnified Position or (ii) neither the Company nor any of its subsidiaries maintains any such insurance, the Company shall ensure that Indemnitee is covered, for at least six years (or such shorter period as is available on commercially reasonable terms) from such point, by other directors and officers liability insurance, in amounts and on terms (including the period of Indemnitee's Indemnified Position) no less favorable (or such other commercially reasonable amounts and terms as are available) to Indemnitee than the amounts and terms of the liability insurance maintained by the Company on the date hereof, provided that such insurance is available on commercially reasonable terms.

(b) The Company shall give prompt notice of the commencement of a Proceeding to the insurers in accordance with the procedures set forth in the respective policies.

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The Company shall thereafter take reasonable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

#### 9. Severability. Each of the provisions of this Agreement is a separate

and distinct agreement and independent of the others, so that if any provisions hereof shall be held to be invalid or unenforceable for any reason or under any circumstances, such invalidity or unenforceability shall not affect the validity or enforceability of the other provisions hereof or the application of the invalid or unenforceable provision under other circumstances. Furthermore, to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of this Agreement containing any provision held to be invalid, void or otherwise unenforceable, that is not itself invalid, void or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

10. Further Assurances. The parties shall do, execute and deliver, or shall cause to be done, executed and delivered, all such further acts, documents and things as may be reasonably required for the purpose of giving effect to this Agreement and the transactions contemplated hereby.

11. Successors; Binding Agreement; No Third Party Beneficiaries. This Agreement shall be binding on and shall inure to the benefit of and be enforceable by the Company's successors and assigns and by Indemnitee's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. Except for the foregoing persons and entities, nothing in this Agreement, express or implied, is intended to or shall be deemed to confer upon any person or entity other than the parties hereto any rights or remedies under or by reason of this Agreement or any provision of this Agreement. The Company shall require any successor or assignee (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company, by written agreement in form and substance reasonably satisfactory to the Company and to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession or assignment had taken place.

12. Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original (including facsimile signatures), but all such counterparts shall together constitute one and the same instrument.

13. Corporate Power and Authority; Due Authorization; Valid and Binding Obligation. The Company represents and warrants that (a) it has the corporate power and authority to execute, deliver and perform its obligations under this Agreement, (b) this Agreement has been duly authorized, executed and delivered by the Company, (c) upon the execution and delivery of this Agreement by the Indemnitee, this Agreement will constitute a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, (d) the execution, delivery and performance of its obligations under this Agreement by the Company does not and will not breach, violate or cause a termination, default or acceleration under its Memorandum of Association or Bye-Laws or any agreement, document,

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instrument, policy (insurance or otherwise), or arrangement to which it is a party or is bound and (e) Indemnitee is relying upon this Agreement in serving in an Indemnified Position.

14. Specific Performance. It is specifically understood and agreed that any breach or threatened breach of this Agreement by the Company will result in irreparable injury to Indemnitee, that the remedy at law alone will be an inadequate remedy for such breach or threatened breach and that, in addition to any other remedy for such breach or threatened breach, the Indemnitee shall be entitled to enforce the provisions of this Agreement through both temporary and permanent injunctive relief, without the necessity of (a) proving actual damages, but without limitation of the rights to recover such damages and (b) posting a bond or other security.

15. Miscellaneous. No provision of this Agreement may be modified, waived, or discharged unless the modification, waiver or discharge is agreed to in writing signed by Indemnitee and either the Chairman of the Board or the President of the Company or another officer of the Company specifically designated by the Board. No waiver by either party at any time of any breach by the other party of, or of compliance with, any condition or provision of this Agreement to be performed by the other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same time or at any prior or subsequent time. The assertion or employment of any right or remedy hereunder,

or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party that are not set forth expressly in this Agreement. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of Bermuda, without giving effect to the principles of conflict of laws of that or any other jurisdiction. The headings in this Agreement are for convenience only and shall not affect the interpretation of any provision of this Agreement. All communications under this Agreement shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified; (b) when sent by confirmed facsimile if sent during normal business hours of the recipient; (c) seven days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (d) two days after deposit with an internationally recognized overnight courier, specifying two day or prior delivery, with written verification of receipt. All communications under this Agreement to the (i) Company shall be sent to its principal place of business to the attention of the Secretary and (ii) Indemnitee shall be sent to his residential mailing address on file with the Company.

(The remainder of this page is intentionally left blank.)

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

INDEMNITEE

/s/ John J. Oros

-----  
Name: John J. Oros

ENSTAR GROUP LIMITED

By: /s/ Richard J. Harris

-----  
Name: Richard J. Harris  
Title: Chief Financial Officer

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Exhibit A

[Date]

[Company name and Address]

Ladies and Gentlemen:

I have entered into an Indemnification Agreement, made as of January 31, 2007 (the "Indemnification Agreement"), with Enstar Group Limited (formerly known as Castlewood Holdings Limited) (the "Company") pursuant to which I am entitled to advancement of expenses. I understand that the entry into of this undertaking is a condition to the Company's obligations to advance expenses under the Indemnification Agreement.

Please accept this letter as my undertaking to repay Advanced Amounts (as defined in the Indemnification Agreement) if it shall ultimately be determined in a final, nonappealable judgment or decree that I am not entitled to be indemnified by the Company. I agree to repay any amounts to the Company within fifteen business days of any demand therefore pursuant to this undertaking.

This undertaking shall survive any termination or rescission of the Indemnification Agreement, unless agreed otherwise by the Company.

The validity, interpretation, construction and performance of this undertaking shall be governed by the laws of Bermuda, without giving effect to the principles of conflict of laws of that or any other jurisdiction.

Sincerely,

## INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (the "Agreement") is made as of January 31, 2007, between ENSTAR GROUP LIMITED (formerly known as Castlewood Holdings Limited), a company organized under the laws of Bermuda (the "Company"), and NIMROD T. FRAZER ("Indemnitee").

## RECITAL

The Second Amended and Restated Bye-Laws of the Company, as may be amended from time to time (the "Bye-Laws") contain provisions indemnifying the Company's directors and officers with respect to certain liabilities and expenses. Indemnitee is currently serving as a director of the Company's Board of Directors (the "Board"), and the Board has determined that it is in the best interests of the shareholders of the Company for the Company to provide Indemnitee with additional assurance of protection against personal liability pursuant to and in furtherance of the Bye-Laws, as provided in this Agreement.

## AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recital and of other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties, intending to be legally bound, agree as follows:

## 1. Indemnification.

(a) The Company shall hold harmless and indemnify and reimburse Indemnitee against all liabilities, costs, expenses (including without limitation, investigation expenses and expert witnesses' and attorneys' fees), judgments, penalties, fines, excise taxes, interest and amounts paid or to be paid in settlement in connection with any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, administrative hearing, or proceeding (collectively, a "Proceeding"), in which Indemnitee was or is a party or a witness, or is threatened to be made a party or a witness, including without limitation, actions by or in the right of the Company, whether civil, criminal, administrative, regulatory or investigative, by reason that, either before or after the date hereof, Indemnitee is or was a director, officer, employee, agent, fiduciary, or other representative of the Company, or is or was serving while a director, officer, employee, agent, fiduciary, or other representative of the Company at the request of the Company as a director, officer, employee, agent, fiduciary, or other representative of another corporation (for profit or not-for-profit), limited liability company, partnership, joint venture, trust, employee benefit plan or other entity or enterprise ("Indemnified Position"). Notwithstanding anything to the contrary set forth in this Agreement, the term "Proceeding" shall not include any action or proceeding commenced by Indemnitee, other than (i) mandatory counterclaims, (ii) affirmative defenses, (iii) as permitted by the Company and (iv) actions or proceedings to enforce the terms of this Agreement.

(b) If Indemnitee is entitled under this Agreement to indemnification by the Company for a portion of the Indemnified Amounts (defined below) but not for the total

amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled.

(c) The Company shall not settle any Proceeding in any manner which would impose any penalty or limitation of any kind or nature on Indemnitee without Indemnitee's prior written consent.

2. Limitations on Indemnification. Notwithstanding any other provision of this Agreement, Indemnitee shall not be entitled to indemnification under Section 1:

(a) if the claim, obligation or liability with respect to which indemnity is sought shall have been determined by a court of competent jurisdiction, by a final, nonappealable judgment or decree, to have resulted from Indemnitee's fraud or dishonesty;

(b) if a court of competent jurisdiction shall determine, by a final, nonappealable judgment or decree, that such indemnity is prohibited under applicable law;

(c) on account of any suit in which judgment is rendered for an accounting of profits made from the purchase or sale by Indemnitee of securities of the Company in violation of the provisions of Section 16(b) of the Securities Exchange Act of 1934, as amended, and amendments thereto or similar provisions of any U.S. federal or state statutory law or any Bermuda statutory law; or

(d) on account of any suit brought against Indemnitee for misuse or misappropriation of non-public information, or otherwise involving Indemnitee's status as an "insider" of the Company, in connection with any purchase or sale by Indemnitee of securities of the Company, and judgment is rendered against Indemnitee in such suit.

3. Other Indemnification Arrangements. The Company's purchase, establishment and maintenance of insurance or similar protection or other arrangements, including, but not limited to, the Bye-Laws, providing a trust fund, letter of credit or surety bond (collectively, "Indemnification Arrangements") on behalf of Indemnitee against any liability asserted against him or her or incurred by or on his or her behalf in his or her Indemnified Position, whether or not the Company would have the power to indemnify him or her against such liability under the provisions of this Agreement or under applicable law, shall not in any way limit or affect the rights and obligations of the Company or of Indemnitee under this Agreement, and the execution and delivery of this Agreement by the Company and Indemnitee shall not in any way limit or affect the rights and obligations of the Company or the other party or parties thereto under any Indemnification Arrangement. All amounts payable by the Company pursuant to this Section 3 or Section 1 are referred to as "Indemnified Amounts."

#### 4. Advance Payment of Indemnified Amounts.

(a) Subject to Section 4(b), Indemnitee hereby is granted the right to receive in advance of a final, nonappealable judgment or other final, nonappealable adjudication of a Proceeding the amount of any and all expenses, including, without limitation, attorney's

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fees, expended or incurred by Indemnitee in connection with any Proceeding (such amounts so expended or incurred, "Advanced Amounts").

(b) In making any request for Advanced Amounts, Indemnitee shall submit to the Company an undertaking by or on behalf of Indemnitee to repay the Advanced Amounts if it shall ultimately be determined in a final, nonappealable judgment or decree that he or she is not entitled to be indemnified by the Company. The undertaking shall be in the form attached hereto as Exhibit A. The Company shall pay to Indemnitee without the need for action by the Board Advanced Amounts within five days of its receipt of appropriate documentation and information evidencing the Advanced Amounts provided that Indemnitee has previously provided the Company with the undertaking required to be provided by Indemnitee pursuant to this Section 4(b).

#### 5. Procedure for Payment of Indemnified Amounts.

(a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request for payment of the appropriate Indemnified Amounts, with such documentation and information to accompany such request as is reasonably available to Indemnitee and reasonably necessary for the Company to determine whether and to what extent Indemnitee is entitled to indemnification.

(b) The Company shall pay Indemnitee the Indemnified Amounts unless it is established that Indemnitee has not met any applicable standard of conduct required in this Agreement or applicable law. For purposes of determining whether Indemnitee is entitled to Indemnified Amounts, in order to deny indemnification to Indemnitee, the Company shall have the burden of proof in establishing that Indemnitee did not meet the applicable standard of conduct required to qualify for indemnification. In this regard, a termination of any Proceeding by judgment, order, plea of nolo contendere, settlement or conviction shall not create a presumption that Indemnitee did not meet the applicable

standard of conduct required to qualify for indemnification.

(c) Any determination that Indemnitee has not met the applicable standard of conduct required to qualify for indemnification shall be made either (i) by the Board by a unanimous vote of all directors who were not parties to the Proceeding or (ii) by independent legal counsel (who may be the outside counsel regularly employed by the Company, so long as it has not advised any party in the subject matter of the Proceeding or the Proceeding itself) approved in advance in writing by both the highest ranking executive officer of the Company who is not party to the Proceeding and by Indemnitee. The fees and expenses of counsel in connection with making the determination contemplated hereunder shall be paid by the Company, and, if requested by such counsel, the Company shall give such counsel an appropriate written agreement with respect to the payment of their fees and expenses and such other matters as may be reasonably requested by such counsel.

(d) The Company shall use its best efforts to conclude as soon as practicable (but in no event later than 60 days from the date of Indemnitee's request for indemnification pursuant to Section 5(a)) any requested determination pursuant to Section 5(c) and shall promptly advise Indemnitee in writing with respect to any determination that

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Indemnitee is or is not entitled to indemnification, including a reasonably detailed description of any reason or basis for which indemnification has been denied. Payment of any applicable Indemnified Amounts shall be made to Indemnitee within five days after any determination of Indemnitee's entitlement to indemnification.

(e) Notwithstanding the foregoing, at any time after 30 days after Indemnitee's request for indemnification pursuant to Section 5(a) (or upon receipt of written notice that a claim for Indemnified Amounts has been rejected, if earlier), and before three years after a claim for Indemnified Amounts has been delivered by Indemnitee to the Company, Indemnitee may petition a court of competent jurisdiction to determine whether Indemnitee is entitled to indemnification under the provisions of this Agreement, and such court shall thereupon have the exclusive authority to make such determination unless and until the court dismisses or otherwise terminates the action without having made such determination. The court shall, as petitioned, make an independent determination of whether Indemnitee is entitled to indemnification as provided under this Agreement, irrespective of any prior determination made by the Board or independent counsel and without being provided or having evidence or testimony regarding any such prior determination. If the court determines that Indemnitee is entitled to indemnification as to any claim, issue or matter involved in the Proceeding with respect to which there has been no prior determination pursuant to this Agreement or with respect to which there has been a prior determination that Indemnitee was not entitled to indemnification hereunder, the Company shall pay all expenses, including attorneys' fees, actually incurred by Indemnitee in connection with obtaining such judicial determination, as well as Indemnified Amounts relating thereto.

(f) Nothing set forth in this Section 5 shall limit or affect the timing or amount, or the right of Indemnitee to payment, of any Advanced Amounts pursuant to Section 4.

#### 6. Agreement Not Exclusive: Subrogation Rights, etc.

(a) This Agreement shall not be deemed exclusive of and shall not diminish any other rights Indemnitee may have to be indemnified, insured or otherwise protected against any liability, cost, expense (including, without limitation, investigation expenses and expert witnesses and attorney's fees), judgment, penalty, fine, excise tax, interest or amount paid or to be paid in settlement by the Company, any subsidiary of the Company, or any other person or entity under any memorandum of association, charter, bylaw, law, agreement, policy of insurance or similar protection, vote of shareholders or directors, disinterested or not, or otherwise, whether or not now in effect, both as to actions in Indemnitee's official capacity with the Company, and as to actions in another capacity while holding such office, including Indemnitee's right to contribution as may be available under applicable law. The Company's obligations to make payments of Indemnified Amounts hereunder shall be satisfied to the extent that payments with respect to the same Proceeding (or part thereof) have been made to or for the benefit of Indemnitee by reason of the indemnification of Indemnitee pursuant to any other arrangement made by the Company for the



benefit of Indemnitee.

(b) If Indemnitee shall actually receive payment from any insurance carrier or from the plaintiff in any Proceeding against Indemnitee in respect of Indemnified Amounts after payments on account of all or part of such Indemnified Amounts have been made

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by the Company pursuant hereto, Indemnitee shall promptly reimburse to the Company the amount, if any, by which the sum of such payment by such insurance carrier or such plaintiff and payments by the Company or pursuant to arrangements made by the Company to Indemnitee exceeds such Indemnified Amounts. Portions, if any, of insurance proceeds that are required to be reimbursed to the insurance carrier under the terms of its insurance policy, such as deductible or co-insurance payments, shall not be deemed to be payments to Indemnitee hereunder. In addition, upon payment of Indemnified Amounts hereunder, the Company shall be subrogated to the rights of Indemnitee receiving such payments (to the extent thereof) against any insurance carrier (to the extent permitted under such insurance policies) or plaintiff in respect of such Indemnified Amounts and Indemnitee shall execute and deliver any and all instruments and documents and perform any and all other acts or deeds that the Company deems reasonably necessary or advisable to secure such rights; provided that the Company reimburses Indemnitee for any costs, expenses or liabilities incurred by it in providing such cooperation. Such right of subrogation shall be terminated upon receipt by the Company of the amount to be reimbursed by Indemnitee pursuant to the first sentence of this Section 6(b).

7. Additional Indemnification Rights. Notwithstanding any other provision of this Agreement, the Company hereby agrees to indemnify Indemnitee to the fullest extent permitted by applicable law, notwithstanding that such indemnification may not be specifically authorized by the other provisions of this Agreement, the Bye-Laws or by statute. If there is any change, after the date of this Agreement, in any applicable law, statute or rule, whether by case law or otherwise, that expands the right of a Bermuda company to indemnify a member of its board of directors, such changes shall be, ipso facto, within the purview of Indemnitee's rights and Company's obligations, under this Agreement. If there is any change in any applicable law, statute or rule that narrows the right of a Bermuda company to indemnify a member of its board of directors, such changes, to the extent not otherwise mandatorily required by such law, statute or rule to be applied to this Agreement, shall have no effect on this Agreement or the parties, rights and obligations hereunder.

#### 8. Insurance.

(a) If the Company maintains directors and officers liability insurance to protect itself and any of its directors or officers against any expense, liability or loss, and such insurance may cover Indemnitee, such insurance shall cover Indemnitee to at least the same extent as any other director or officer of the Company. If at any point (i) such insurance ceases to cover acts and omissions occurring during all or any part of the period of Indemnitee's Indemnified Position or (ii) neither the Company nor any of its subsidiaries maintains any such insurance, the Company shall ensure that Indemnitee is covered, for at least six years (or such shorter period as is available on commercially reasonable terms) from such point, by other directors and officers liability insurance, in amounts and on terms (including the period of Indemnitee's Indemnified Position) no less favorable (or such other commercially reasonable amounts and terms as are available) to Indemnitee than the amounts and terms of the liability insurance maintained by the Company on the date hereof, provided that such insurance is available on commercially reasonable terms.

(b) The Company shall give prompt notice of the commencement of a Proceeding to the insurers in accordance with the procedures set forth in the respective policies.

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The Company shall thereafter take reasonable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

#### 9. Severability. Each of the provisions of this Agreement is a separate

and distinct agreement and independent of the others, so that if any provisions hereof shall be held to be invalid or unenforceable for any reason or under any circumstances, such invalidity or unenforceability shall not affect the validity or enforceability of the other provisions hereof or the application of the invalid or unenforceable provision under other circumstances. Furthermore, to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of this Agreement containing any provision held to be invalid, void or otherwise unenforceable, that is not itself invalid, void or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

10. Further Assurances. The parties shall do, execute and deliver, or shall cause to be done, executed and delivered, all such further acts, documents and things as may be reasonably required for the purpose of giving effect to this Agreement and the transactions contemplated hereby.

11. Successors; Binding Agreement; No Third Party Beneficiaries. This Agreement shall be binding on and shall inure to the benefit of and be enforceable by the Company's successors and assigns and by Indemnitee's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. Except for the foregoing persons and entities, nothing in this Agreement, express or implied, is intended to or shall be deemed to confer upon any person or entity other than the parties hereto any rights or remedies under or by reason of this Agreement or any provision of this Agreement. The Company shall require any successor or assignee (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company, by written agreement in form and substance reasonably satisfactory to the Company and to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession or assignment had taken place.

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14. Specific Performance. It is specifically understood and agreed that any breach or threatened breach of this Agreement by the Company will result in irreparable injury to Indemnitee, that the remedy at law alone will be an inadequate remedy for such breach or threatened breach and that, in addition to any other remedy for such breach or threatened breach, the Indemnitee shall be entitled to enforce the provisions of this Agreement through both temporary and permanent injunctive relief, without the necessity of (a) proving actual damages, but without limitation of the rights to recover such damages and (b) posting a bond or other security.

15. Miscellaneous. No provision of this Agreement may be modified, waived, or discharged unless the modification, waiver or discharge is agreed to in writing signed by Indemnitee and either the Chairman of the Board or the President of the Company or another officer of the Company specifically designated by the Board. No waiver by either party at any time of any breach by the other party of, or of compliance with, any condition or provision of this Agreement to be performed by the other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same time or at any prior or subsequent time. The assertion or employment of any right or remedy hereunder,

or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party that are not set forth expressly in this Agreement. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of Bermuda, without giving effect to the principles of conflict of laws of that or any other jurisdiction. The headings in this Agreement are for convenience only and shall not affect the interpretation of any provision of this Agreement. All communications under this Agreement shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified; (b) when sent by confirmed facsimile if sent during normal business hours of the recipient; (c) seven days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (d) two days after deposit with an internationally recognized overnight courier, specifying two day or prior delivery, with written verification of receipt. All communications under this Agreement to the (i) Company shall be sent to its principal place of business to the attention of the Secretary and (ii) Indemnitee shall be sent to his residential mailing address on file with the Company.

(The remainder of this page is intentionally left blank.)

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

INDEMNITEE

/s/ Nimrod T. Frazer

-----  
Name: Nimrod T. Frazer

ENSTAR GROUP LIMITED

By: /s/ Richard J. Harris

-----  
Name: Richard J. Harris  
Title: Chief Financial Officer

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Exhibit A

[Date]

[Company name and Address]

Ladies and Gentlemen:

I have entered into an Indemnification Agreement, made as of January 31, 2007 (the "Indemnification Agreement"), with Enstar Group Limited (formerly known as Castlewood Holdings Limited) (the "Company") pursuant to which I am entitled to advancement of expenses. I understand that the entry into of this undertaking is a condition to the Company's obligations to advance expenses under the Indemnification Agreement.

Please accept this letter as my undertaking to repay Advanced Amounts (as defined in the Indemnification Agreement) if it shall ultimately be determined in a final, nonappealable judgment or decree that I am not entitled to be indemnified by the Company. I agree to repay any amounts to the Company within fifteen business days of any demand therefore pursuant to this undertaking.

This undertaking shall survive any termination or rescission of the Indemnification Agreement, unless agreed otherwise by the Company.

The validity, interpretation, construction and performance of this undertaking shall be governed by the laws of Bermuda, without giving effect to the principles of conflict of laws of that or any other jurisdiction.

Sincerely,

## INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (the "Agreement") is made as of January 31, 2007, between ENSTAR GROUP LIMITED (formerly known as Castlewood Holdings Limited), a company organized under the laws of Bermuda (the "Company"), and GREGORY L. CURL ("Indemnitee").

## RECITAL

The Second Amended and Restated Bye-Laws of the Company, as may be amended from time to time (the "Bye-Laws") contain provisions indemnifying the Company's directors and officers with respect to certain liabilities and expenses. Indemnitee is currently serving as a director of the Company's Board of Directors (the "Board"), and the Board has determined that it is in the best interests of the shareholders of the Company for the Company to provide Indemnitee with additional assurance of protection against personal liability pursuant to and in furtherance of the Bye-Laws, as provided in this Agreement.

## AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recital and of other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties, intending to be legally bound, agree as follows:

## 1. Indemnification.

(a) The Company shall hold harmless and indemnify and reimburse Indemnitee against all liabilities, costs, expenses (including without limitation, investigation expenses and expert witnesses' and attorneys' fees), judgments, penalties, fines, excise taxes, interest and amounts paid or to be paid in settlement in connection with any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, administrative hearing, or proceeding (collectively, a "Proceeding"), in which Indemnitee was or is a party or a witness, or is threatened to be made a party or a witness, including without limitation, actions by or in the right of the Company, whether civil, criminal, administrative, regulatory or investigative, by reason that, either before or after the date hereof, Indemnitee is or was a director, officer, employee, agent, fiduciary, or other representative of the Company, or is or was serving while a director, officer, employee, agent, fiduciary, or other representative of the Company at the request of the Company as a director, officer, employee, agent, fiduciary, or other representative of another corporation (for profit or not-for-profit), limited liability company, partnership, joint venture, trust, employee benefit plan or other entity or enterprise ("Indemnified Position"). Notwithstanding anything to the contrary set forth in this Agreement, the term "Proceeding" shall not include any action or proceeding commenced by Indemnitee, other than (i) mandatory counterclaims, (ii) affirmative defenses, (iii) as permitted by the Company and (iv) actions or proceedings to enforce the terms of this Agreement.

(b) If Indemnitee is entitled under this Agreement to indemnification by the Company for a portion of the Indemnified Amounts (defined below) but not for the total

amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled.

(c) The Company shall not settle any Proceeding in any manner which would impose any penalty or limitation of any kind or nature on Indemnitee without Indemnitee's prior written consent.

2. Limitations on Indemnification. Notwithstanding any other provision of this Agreement, Indemnitee shall not be entitled to indemnification under Section 1:

(a) if the claim, obligation or liability with respect to which indemnity is sought shall have been determined by a court of competent jurisdiction, by a final, nonappealable judgment or decree, to have resulted from Indemnitee's fraud or dishonesty;

(b) if a court of competent jurisdiction shall determine, by a final, nonappealable judgment or decree, that such indemnity is prohibited under applicable law;

(c) on account of any suit in which judgment is rendered for an accounting of profits made from the purchase or sale by Indemnitee of securities of the Company in violation of the provisions of Section 16(b) of the Securities Exchange Act of 1934, as amended, and amendments thereto or similar provisions of any U.S. federal or state statutory law or any Bermuda statutory law; or

(d) on account of any suit brought against Indemnitee for misuse or misappropriation of non-public information, or otherwise involving Indemnitee's status as an "insider" of the Company, in connection with any purchase or sale by Indemnitee of securities of the Company, and judgment is rendered against Indemnitee in such suit.

3. Other Indemnification Arrangements. The Company's purchase, establishment and maintenance of insurance or similar protection or other arrangements, including, but not limited to, the Bye-Laws, providing a trust fund, letter of credit or surety bond (collectively, "Indemnification Arrangements") on behalf of Indemnitee against any liability asserted against him or her or incurred by or on his or her behalf in his or her Indemnified Position, whether or not the Company would have the power to indemnify him or her against such liability under the provisions of this Agreement or under applicable law, shall not in any way limit or affect the rights and obligations of the Company or of Indemnitee under this Agreement, and the execution and delivery of this Agreement by the Company and Indemnitee shall not in any way limit or affect the rights and obligations of the Company or the other party or parties thereto under any Indemnification Arrangement. All amounts payable by the Company pursuant to this Section 3 or Section 1 are referred to as "Indemnified Amounts."

#### 4. Advance Payment of Indemnified Amounts.

(a) Subject to Section 4(b), Indemnitee hereby is granted the right to receive in advance of a final, nonappealable judgment or other final, nonappealable adjudication of a Proceeding the amount of any and all expenses, including, without limitation, attorney's

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fees, expended or incurred by Indemnitee in connection with any Proceeding (such amounts so expended or incurred, "Advanced Amounts").

(b) In making any request for Advanced Amounts, Indemnitee shall submit to the Company an undertaking by or on behalf of Indemnitee to repay the Advanced Amounts if it shall ultimately be determined in a final, nonappealable judgment or decree that he or she is not entitled to be indemnified by the Company. The undertaking shall be in the form attached hereto as Exhibit A. The Company shall pay to Indemnitee without the need for action by the Board Advanced Amounts within five days of its receipt of appropriate documentation and information evidencing the Advanced Amounts provided that Indemnitee has previously provided the Company with the undertaking required to be provided by Indemnitee pursuant to this Section 4(b).

#### 5. Procedure for Payment of Indemnified Amounts.

(a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request for payment of the appropriate Indemnified Amounts, with such documentation and information to accompany such request as is reasonably available to Indemnitee and reasonably necessary for the Company to determine whether and to what extent Indemnitee is entitled to indemnification.

(b) The Company shall pay Indemnitee the Indemnified Amounts unless it is established that Indemnitee has not met any applicable standard of conduct required in this Agreement or applicable law. For purposes of determining whether Indemnitee is entitled to Indemnified Amounts, in order to deny indemnification to Indemnitee, the Company shall have the burden of proof in establishing that Indemnitee did not meet the applicable standard of conduct required to qualify for indemnification. In this regard, a termination of any Proceeding by judgment, order, plea of nolo contendere, settlement or conviction shall not create a presumption that Indemnitee did not meet the applicable

standard of conduct required to qualify for indemnification.

(c) Any determination that Indemnitee has not met the applicable standard of conduct required to qualify for indemnification shall be made either (i) by the Board by a unanimous vote of all directors who were not parties to the Proceeding or (ii) by independent legal counsel (who may be the outside counsel regularly employed by the Company, so long as it has not advised any party in the subject matter of the Proceeding or the Proceeding itself) approved in advance in writing by both the highest ranking executive officer of the Company who is not party to the Proceeding and by Indemnitee. The fees and expenses of counsel in connection with making the determination contemplated hereunder shall be paid by the Company, and, if requested by such counsel, the Company shall give such counsel an appropriate written agreement with respect to the payment of their fees and expenses and such other matters as may be reasonably requested by such counsel.

(d) The Company shall use its best efforts to conclude as soon as practicable (but in no event later than 60 days from the date of Indemnitee's request for indemnification pursuant to Section 5(a)) any requested determination pursuant to Section 5(c) and shall promptly advise Indemnitee in writing with respect to any determination that

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Indemnitee is or is not entitled to indemnification, including a reasonably detailed description of any reason or basis for which indemnification has been denied. Payment of any applicable Indemnified Amounts shall be made to Indemnitee within five days after any determination of Indemnitee's entitlement to indemnification.

(e) Notwithstanding the foregoing, at any time after 30 days after Indemnitee's request for indemnification pursuant to Section 5(a) (or upon receipt of written notice that a claim for Indemnified Amounts has been rejected, if earlier), and before three years after a claim for Indemnified Amounts has been delivered by Indemnitee to the Company, Indemnitee may petition a court of competent jurisdiction to determine whether Indemnitee is entitled to indemnification under the provisions of this Agreement, and such court shall thereupon have the exclusive authority to make such determination unless and until the court dismisses or otherwise terminates the action without having made such determination. The court shall, as petitioned, make an independent determination of whether Indemnitee is entitled to indemnification as provided under this Agreement, irrespective of any prior determination made by the Board or independent counsel and without being provided or having evidence or testimony regarding any such prior determination. If the court determines that Indemnitee is entitled to indemnification as to any claim, issue or matter involved in the Proceeding with respect to which there has been no prior determination pursuant to this Agreement or with respect to which there has been a prior determination that Indemnitee was not entitled to indemnification hereunder, the Company shall pay all expenses, including attorneys' fees, actually incurred by Indemnitee in connection with obtaining such judicial determination, as well as Indemnified Amounts relating thereto.

(f) Nothing set forth in this Section 5 shall limit or affect the timing or amount, or the right of Indemnitee to payment, of any Advanced Amounts pursuant to Section 4.

#### 6. Agreement Not Exclusive: Subrogation Rights, etc.

(a) This Agreement shall not be deemed exclusive of and shall not diminish any other rights Indemnitee may have to be indemnified, insured or otherwise protected against any liability, cost, expense (including, without limitation, investigation expenses and expert witnesses and attorney's fees), judgment, penalty, fine, excise tax, interest or amount paid or to be paid in settlement by the Company, any subsidiary of the Company, or any other person or entity under any memorandum of association, charter, bylaw, law, agreement, policy of insurance or similar protection, vote of shareholders or directors, disinterested or not, or otherwise, whether or not now in effect, both as to actions in Indemnitee's official capacity with the Company, and as to actions in another capacity while holding such office, including Indemnitee's right to contribution as may be available under applicable law. The Company's obligations to make payments of Indemnified Amounts hereunder shall be satisfied to the extent that payments with respect to the same Proceeding (or part thereof) have been made to or for the benefit of Indemnitee by reason of the indemnification of Indemnitee pursuant to any other arrangement made by the Company for the

benefit of Indemnitee.

(b) If Indemnitee shall actually receive payment from any insurance carrier or from the plaintiff in any Proceeding against Indemnitee in respect of Indemnified Amounts after payments on account of all or part of such Indemnified Amounts have been made

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by the Company pursuant hereto, Indemnitee shall promptly reimburse to the Company the amount, if any, by which the sum of such payment by such insurance carrier or such plaintiff and payments by the Company or pursuant to arrangements made by the Company to Indemnitee exceeds such Indemnified Amounts. Portions, if any, of insurance proceeds that are required to be reimbursed to the insurance carrier under the terms of its insurance policy, such as deductible or co-insurance payments, shall not be deemed to be payments to Indemnitee hereunder. In addition, upon payment of Indemnified Amounts hereunder, the Company shall be subrogated to the rights of Indemnitee receiving such payments (to the extent thereof) against any insurance carrier (to the extent permitted under such insurance policies) or plaintiff in respect of such Indemnified Amounts and Indemnitee shall execute and deliver any and all instruments and documents and perform any and all other acts or deeds that the Company deems reasonably necessary or advisable to secure such rights; provided that the Company reimburses Indemnitee for any costs, expenses or liabilities incurred by it in providing such cooperation. Such right of subrogation shall be terminated upon receipt by the Company of the amount to be reimbursed by Indemnitee pursuant to the first sentence of this Section 6(b).

7. Additional Indemnification Rights. Notwithstanding any other provision of this Agreement, the Company hereby agrees to indemnify Indemnitee to the fullest extent permitted by applicable law, notwithstanding that such indemnification may not be specifically authorized by the other provisions of this Agreement, the Bye-Laws or by statute. If there is any change, after the date of this Agreement, in any applicable law, statute or rule, whether by case law or otherwise, that expands the right of a Bermuda company to indemnify a member of its board of directors, such changes shall be, ipso facto, within the purview of Indemnitee's rights and Company's obligations, under this Agreement. If there is any change in any applicable law, statute or rule that narrows the right of a Bermuda company to indemnify a member of its board of directors, such changes, to the extent not otherwise mandatorily required by such law, statute or rule to be applied to this Agreement, shall have no effect on this Agreement or the parties, rights and obligations hereunder.

#### 8. Insurance.

(a) If the Company maintains directors and officers liability insurance to protect itself and any of its directors or officers against any expense, liability or loss, and such insurance may cover Indemnitee, such insurance shall cover Indemnitee to at least the same extent as any other director or officer of the Company. If at any point (i) such insurance ceases to cover acts and omissions occurring during all or any part of the period of Indemnitee's Indemnified Position or (ii) neither the Company nor any of its subsidiaries maintains any such insurance, the Company shall ensure that Indemnitee is covered, for at least six years (or such shorter period as is available on commercially reasonable terms) from such point, by other directors and officers liability insurance, in amounts and on terms (including the period of Indemnitee's Indemnified Position) no less favorable (or such other commercially reasonable amounts and terms as are available) to Indemnitee than the amounts and terms of the liability insurance maintained by the Company on the date hereof, provided that such insurance is available on commercially reasonable terms.

(b) The Company shall give prompt notice of the commencement of a Proceeding to the insurers in accordance with the procedures set forth in the respective policies.

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The Company shall thereafter take reasonable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

#### 9. Severability. Each of the provisions of this Agreement is a separate

and distinct agreement and independent of the others, so that if any provisions hereof shall be held to be invalid or unenforceable for any reason or under any circumstances, such invalidity or unenforceability shall not affect the validity or enforceability of the other provisions hereof or the application of the invalid or unenforceable provision under other circumstances. Furthermore, to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of this Agreement containing any provision held to be invalid, void or otherwise unenforceable, that is not itself invalid, void or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

10. Further Assurances. The parties shall do, execute and deliver, or shall cause to be done, executed and delivered, all such further acts, documents and things as may be reasonably required for the purpose of giving effect to this Agreement and the transactions contemplated hereby.

11. Successors; Binding Agreement; No Third Party Beneficiaries. This Agreement shall be binding on and shall inure to the benefit of and be enforceable by the Company's successors and assigns and by Indemnitee's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. Except for the foregoing persons and entities, nothing in this Agreement, express or implied, is intended to or shall be deemed to confer upon any person or entity other than the parties hereto any rights or remedies under or by reason of this Agreement or any provision of this Agreement. The Company shall require any successor or assignee (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company, by written agreement in form and substance reasonably satisfactory to the Company and to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession or assignment had taken place.

12. Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original (including facsimile signatures), but all such counterparts shall together constitute one and the same instrument.

13. Corporate Power and Authority; Due Authorization; Valid and Binding Obligation. The Company represents and warrants that (a) it has the corporate power and authority to execute, deliver and perform its obligations under this Agreement, (b) this Agreement has been duly authorized, executed and delivered by the Company, (c) upon the execution and delivery of this Agreement by the Indemnitee, this Agreement will constitute a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, (d) the execution, delivery and performance of its obligations under this Agreement by the Company does not and will not breach, violate or cause a termination, default or acceleration under its Memorandum of Association or Bye-Laws or any agreement, document,

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instrument, policy (insurance or otherwise), or arrangement to which it is a party or is bound and (e) Indemnitee is relying upon this Agreement in serving in an Indemnified Position.

14. Specific Performance. It is specifically understood and agreed that any breach or threatened breach of this Agreement by the Company will result in irreparable injury to Indemnitee, that the remedy at law alone will be an inadequate remedy for such breach or threatened breach and that, in addition to any other remedy for such breach or threatened breach, the Indemnitee shall be entitled to enforce the provisions of this Agreement through both temporary and permanent injunctive relief, without the necessity of (a) proving actual damages, but without limitation of the rights to recover such damages and (b) posting a bond or other security.

15. Miscellaneous. No provision of this Agreement may be modified, waived, or discharged unless the modification, waiver or discharge is agreed to in writing signed by Indemnitee and either the Chairman of the Board or the President of the Company or another officer of the Company specifically designated by the Board. No waiver by either party at any time of any breach by the other party of, or of compliance with, any condition or provision of this Agreement to be performed by the other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same time or at any prior or subsequent time. The assertion or employment of any right or remedy hereunder,



or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party that are not set forth expressly in this Agreement. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of Bermuda, without giving effect to the principles of conflict of laws of that or any other jurisdiction. The headings in this Agreement are for convenience only and shall not affect the interpretation of any provision of this Agreement. All communications under this Agreement shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified; (b) when sent by confirmed facsimile if sent during normal business hours of the recipient; (c) seven days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (d) two days after deposit with an internationally recognized overnight courier, specifying two day or prior delivery, with written verification of receipt. All communications under this Agreement to the (i) Company shall be sent to its principal place of business to the attention of the Secretary and (ii) Indemnitee shall be sent to his residential mailing address on file with the Company.

(The remainder of this page is intentionally left blank.)

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

INDEMNITEE

/s/ Gregory L. Curl

-----  
Name: Gregory L. Curl

ENSTAR GROUP LIMITED

By: /s/ Richard J. Harris

-----  
Name: Richard J. Harris  
Title: Chief Financial Officer

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Exhibit A

[Date]

[Company name and Address]

Ladies and Gentlemen:

I have entered into an Indemnification Agreement, made as of January 31, 2007 (the "Indemnification Agreement"), with Enstar Group Limited (formerly known as Castlewood Holdings Limited) (the "Company") pursuant to which I am entitled to advancement of expenses. I understand that the entry into of this undertaking is a condition to the Company's obligations to advance expenses under the Indemnification Agreement.

Please accept this letter as my undertaking to repay Advanced Amounts (as defined in the Indemnification Agreement) if it shall ultimately be determined in a final, nonappealable judgment or decree that I am not entitled to be indemnified by the Company. I agree to repay any amounts to the Company within fifteen business days of any demand therefore pursuant to this undertaking.

This undertaking shall survive any termination or rescission of the Indemnification Agreement, unless agreed otherwise by the Company.

The validity, interpretation, construction and performance of this undertaking shall be governed by the laws of Bermuda, without giving effect to the principles of conflict of laws of that or any other jurisdiction.

Sincerely,

## INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (the "Agreement") is made as of January 31, 2007, between ENSTAR GROUP LIMITED (formerly known as Castlewood Holdings Limited), a company organized under the laws of Bermuda (the "Company"), and PAUL J. COLLINS ("Indemnitee").

## RECITAL

The Second Amended and Restated Bye-Laws of the Company, as may be amended from time to time (the "Bye-Laws") contain provisions indemnifying the Company's directors and officers with respect to certain liabilities and expenses. Indemnitee is currently serving as a director of the Company's Board of Directors (the "Board"), and the Board has determined that it is in the best interests of the shareholders of the Company for the Company to provide Indemnitee with additional assurance of protection against personal liability pursuant to and in furtherance of the Bye-Laws, as provided in this Agreement.

## AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recital and of other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties, intending to be legally bound, agree as follows:

## 1. Indemnification.

(a) The Company shall hold harmless and indemnify and reimburse Indemnitee against all liabilities, costs, expenses (including without limitation, investigation expenses and expert witnesses' and attorneys' fees), judgments, penalties, fines, excise taxes, interest and amounts paid or to be paid in settlement in connection with any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, administrative hearing, or proceeding (collectively, a "Proceeding"), in which Indemnitee was or is a party or a witness, or is threatened to be made a party or a witness, including without limitation, actions by or in the right of the Company, whether civil, criminal, administrative, regulatory or investigative, by reason that, either before or after the date hereof, Indemnitee is or was a director, officer, employee, agent, fiduciary, or other representative of the Company, or is or was serving while a director, officer, employee, agent, fiduciary, or other representative of the Company at the request of the Company as a director, officer, employee, agent, fiduciary, or other representative of another corporation (for profit or not-for-profit), limited liability company, partnership, joint venture, trust, employee benefit plan or other entity or enterprise ("Indemnified Position"). Notwithstanding anything to the contrary set forth in this Agreement, the term "Proceeding" shall not include any action or proceeding commenced by Indemnitee, other than (i) mandatory counterclaims, (ii) affirmative defenses, (iii) as permitted by the Company and (iv) actions or proceedings to enforce the terms of this Agreement.

(b) If Indemnitee is entitled under this Agreement to indemnification by the Company for a portion of the Indemnified Amounts (defined below) but not for the total

amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled.

(c) The Company shall not settle any Proceeding in any manner which would impose any penalty or limitation of any kind or nature on Indemnitee without Indemnitee's prior written consent.

2. Limitations on Indemnification. Notwithstanding any other provision of this Agreement, Indemnitee shall not be entitled to indemnification under Section 1:

(a) if the claim, obligation or liability with respect to which indemnity is sought shall have been determined by a court of competent jurisdiction, by a final, nonappealable judgment or decree, to have resulted from Indemnitee's fraud or dishonesty;

(b) if a court of competent jurisdiction shall determine, by a final, nonappealable judgment or decree, that such indemnity is prohibited under applicable law;

(c) on account of any suit in which judgment is rendered for an accounting of profits made from the purchase or sale by Indemnitee of securities of the Company in violation of the provisions of Section 16(b) of the Securities Exchange Act of 1934, as amended, and amendments thereto or similar provisions of any U.S. federal or state statutory law or any Bermuda statutory law; or

(d) on account of any suit brought against Indemnitee for misuse or misappropriation of non-public information, or otherwise involving Indemnitee's status as an "insider" of the Company, in connection with any purchase or sale by Indemnitee of securities of the Company, and judgment is rendered against Indemnitee in such suit.

3. Other Indemnification Arrangements. The Company's purchase, establishment and maintenance of insurance or similar protection or other arrangements, including, but not limited to, the Bye-Laws, providing a trust fund, letter of credit or surety bond (collectively, "Indemnification Arrangements") on behalf of Indemnitee against any liability asserted against him or her or incurred by or on his or her behalf in his or her Indemnified Position, whether or not the Company would have the power to indemnify him or her against such liability under the provisions of this Agreement or under applicable law, shall not in any way limit or affect the rights and obligations of the Company or of Indemnitee under this Agreement, and the execution and delivery of this Agreement by the Company and Indemnitee shall not in any way limit or affect the rights and obligations of the Company or the other party or parties thereto under any Indemnification Arrangement. All amounts payable by the Company pursuant to this Section 3 or Section 1 are referred to as "Indemnified Amounts."

#### 4. Advance Payment of Indemnified Amounts.

(a) Subject to Section 4(b), Indemnitee hereby is granted the right to receive in advance of a final, nonappealable judgment or other final, nonappealable adjudication of a Proceeding the amount of any and all expenses, including, without limitation, attorney's

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fees, expended or incurred by Indemnitee in connection with any Proceeding (such amounts so expended or incurred, "Advanced Amounts").

(b) In making any request for Advanced Amounts, Indemnitee shall submit to the Company an undertaking by or on behalf of Indemnitee to repay the Advanced Amounts if it shall ultimately be determined in a final, nonappealable judgment or decree that he or she is not entitled to be indemnified by the Company. The undertaking shall be in the form attached hereto as Exhibit A. The Company shall pay to Indemnitee without the need for action by the Board Advanced Amounts within five days of its receipt of appropriate documentation and information evidencing the Advanced Amounts provided that Indemnitee has previously provided the Company with the undertaking required to be provided by Indemnitee pursuant to this Section 4(b).

#### 5. Procedure for Payment of Indemnified Amounts.

(a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request for payment of the appropriate Indemnified Amounts, with such documentation and information to accompany such request as is reasonably available to Indemnitee and reasonably necessary for the Company to determine whether and to what extent Indemnitee is entitled to indemnification.

(b) The Company shall pay Indemnitee the Indemnified Amounts unless it is established that Indemnitee has not met any applicable standard of conduct required in this Agreement or applicable law. For purposes of determining whether Indemnitee is entitled to Indemnified Amounts, in order to deny indemnification to Indemnitee, the Company shall have the burden of proof in establishing that Indemnitee did not meet the applicable standard of conduct required to qualify for indemnification. In this regard, a termination of any Proceeding by judgment, order, plea of nolo contendere, settlement or conviction shall not create a presumption that Indemnitee did not meet the applicable

standard of conduct required to qualify for indemnification.

(c) Any determination that Indemnitee has not met the applicable standard of conduct required to qualify for indemnification shall be made either (i) by the Board by a unanimous vote of all directors who were not parties to the Proceeding or (ii) by independent legal counsel (who may be the outside counsel regularly employed by the Company, so long as it has not advised any party in the subject matter of the Proceeding or the Proceeding itself) approved in advance in writing by both the highest ranking executive officer of the Company who is not party to the Proceeding and by Indemnitee. The fees and expenses of counsel in connection with making the determination contemplated hereunder shall be paid by the Company, and, if requested by such counsel, the Company shall give such counsel an appropriate written agreement with respect to the payment of their fees and expenses and such other matters as may be reasonably requested by such counsel.

(d) The Company shall use its best efforts to conclude as soon as practicable (but in no event later than 60 days from the date of Indemnitee's request for indemnification pursuant to Section 5(a)) any requested determination pursuant to Section 5(c) and shall promptly advise Indemnitee in writing with respect to any determination that

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Indemnitee is or is not entitled to indemnification, including a reasonably detailed description of any reason or basis for which indemnification has been denied. Payment of any applicable Indemnified Amounts shall be made to Indemnitee within five days after any determination of Indemnitee's entitlement to indemnification.

(e) Notwithstanding the foregoing, at any time after 30 days after Indemnitee's request for indemnification pursuant to Section 5(a) (or upon receipt of written notice that a claim for Indemnified Amounts has been rejected, if earlier), and before three years after a claim for Indemnified Amounts has been delivered by Indemnitee to the Company, Indemnitee may petition a court of competent jurisdiction to determine whether Indemnitee is entitled to indemnification under the provisions of this Agreement, and such court shall thereupon have the exclusive authority to make such determination unless and until the court dismisses or otherwise terminates the action without having made such determination. The court shall, as petitioned, make an independent determination of whether Indemnitee is entitled to indemnification as provided under this Agreement, irrespective of any prior determination made by the Board or independent counsel and without being provided or having evidence or testimony regarding any such prior determination. If the court determines that Indemnitee is entitled to indemnification as to any claim, issue or matter involved in the Proceeding with respect to which there has been no prior determination pursuant to this Agreement or with respect to which there has been a prior determination that Indemnitee was not entitled to indemnification hereunder, the Company shall pay all expenses, including attorneys' fees, actually incurred by Indemnitee in connection with obtaining such judicial determination, as well as Indemnified Amounts relating thereto.

(f) Nothing set forth in this Section 5 shall limit or affect the timing or amount, or the right of Indemnitee to payment, of any Advanced Amounts pursuant to Section 4.

#### 6. Agreement Not Exclusive: Subrogation Rights, etc.

(a) This Agreement shall not be deemed exclusive of and shall not diminish any other rights Indemnitee may have to be indemnified, insured or otherwise protected against any liability, cost, expense (including, without limitation, investigation expenses and expert witnesses and attorney's fees), judgment, penalty, fine, excise tax, interest or amount paid or to be paid in settlement by the Company, any subsidiary of the Company, or any other person or entity under any memorandum of association, charter, bylaw, law, agreement, policy of insurance or similar protection, vote of shareholders or directors, disinterested or not, or otherwise, whether or not now in effect, both as to actions in Indemnitee's official capacity with the Company, and as to actions in another capacity while holding such office, including Indemnitee's right to contribution as may be available under applicable law. The Company's obligations to make payments of Indemnified Amounts hereunder shall be satisfied to the extent that payments with respect to the same Proceeding (or part thereof) have been made to or for the benefit of Indemnitee by reason of the indemnification of Indemnitee pursuant to any other arrangement made by the Company for the

benefit of Indemnitee.

(b) If Indemnitee shall actually receive payment from any insurance carrier or from the plaintiff in any Proceeding against Indemnitee in respect of Indemnified Amounts after payments on account of all or part of such Indemnified Amounts have been made

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by the Company pursuant hereto, Indemnitee shall promptly reimburse to the Company the amount, if any, by which the sum of such payment by such insurance carrier or such plaintiff and payments by the Company or pursuant to arrangements made by the Company to Indemnitee exceeds such Indemnified Amounts. Portions, if any, of insurance proceeds that are required to be reimbursed to the insurance carrier under the terms of its insurance policy, such as deductible or co-insurance payments, shall not be deemed to be payments to Indemnitee hereunder. In addition, upon payment of Indemnified Amounts hereunder, the Company shall be subrogated to the rights of Indemnitee receiving such payments (to the extent thereof) against any insurance carrier (to the extent permitted under such insurance policies) or plaintiff in respect of such Indemnified Amounts and Indemnitee shall execute and deliver any and all instruments and documents and perform any and all other acts or deeds that the Company deems reasonably necessary or advisable to secure such rights; provided that the Company reimburses Indemnitee for any costs, expenses or liabilities incurred by it in providing such cooperation. Such right of subrogation shall be terminated upon receipt by the Company of the amount to be reimbursed by Indemnitee pursuant to the first sentence of this Section 6(b).

7. Additional Indemnification Rights. Notwithstanding any other provision of this Agreement, the Company hereby agrees to indemnify Indemnitee to the fullest extent permitted by applicable law, notwithstanding that such indemnification may not be specifically authorized by the other provisions of this Agreement, the Bye-Laws or by statute. If there is any change, after the date of this Agreement, in any applicable law, statute or rule, whether by case law or otherwise, that expands the right of a Bermuda company to indemnify a member of its board of directors, such changes shall be, ipso facto, within the purview of Indemnitee's rights and Company's obligations, under this Agreement. If there is any change in any applicable law, statute or rule that narrows the right of a Bermuda company to indemnify a member of its board of directors, such changes, to the extent not otherwise mandatorily required by such law, statute or rule to be applied to this Agreement, shall have no effect on this Agreement or the parties, rights and obligations hereunder.

#### 8. Insurance.

(a) If the Company maintains directors and officers liability insurance to protect itself and any of its directors or officers against any expense, liability or loss, and such insurance may cover Indemnitee, such insurance shall cover Indemnitee to at least the same extent as any other director or officer of the Company. If at any point (i) such insurance ceases to cover acts and omissions occurring during all or any part of the period of Indemnitee's Indemnified Position or (ii) neither the Company nor any of its subsidiaries maintains any such insurance, the Company shall ensure that Indemnitee is covered, for at least six years (or such shorter period as is available on commercially reasonable terms) from such point, by other directors and officers liability insurance, in amounts and on terms (including the period of Indemnitee's Indemnified Position) no less favorable (or such other commercially reasonable amounts and terms as are available) to Indemnitee than the amounts and terms of the liability insurance maintained by the Company on the date hereof, provided that such insurance is available on commercially reasonable terms.

(b) The Company shall give prompt notice of the commencement of a Proceeding to the insurers in accordance with the procedures set forth in the respective policies.

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The Company shall thereafter take reasonable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

#### 9. Severability. Each of the provisions of this Agreement is a separate

and distinct agreement and independent of the others, so that if any provisions hereof shall be held to be invalid or unenforceable for any reason or under any circumstances, such invalidity or unenforceability shall not affect the validity or enforceability of the other provisions hereof or the application of the invalid or unenforceable provision under other circumstances. Furthermore, to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of this Agreement containing any provision held to be invalid, void or otherwise unenforceable, that is not itself invalid, void or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

10. Further Assurances. The parties shall do, execute and deliver, or shall cause to be done, executed and delivered, all such further acts, documents and things as may be reasonably required for the purpose of giving effect to this Agreement and the transactions contemplated hereby.

11. Successors; Binding Agreement; No Third Party Beneficiaries. This Agreement shall be binding on and shall inure to the benefit of and be enforceable by the Company's successors and assigns and by Indemnitee's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. Except for the foregoing persons and entities, nothing in this Agreement, express or implied, is intended to or shall be deemed to confer upon any person or entity other than the parties hereto any rights or remedies under or by reason of this Agreement or any provision of this Agreement. The Company shall require any successor or assignee (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company, by written agreement in form and substance reasonably satisfactory to the Company and to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession or assignment had taken place.

12. Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original (including facsimile signatures), but all such counterparts shall together constitute one and the same instrument.

13. Corporate Power and Authority; Due Authorization; Valid and Binding Obligation. The Company represents and warrants that (a) it has the corporate power and authority to execute, deliver and perform its obligations under this Agreement, (b) this Agreement has been duly authorized, executed and delivered by the Company, (c) upon the execution and delivery of this Agreement by the Indemnitee, this Agreement will constitute a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, (d) the execution, delivery and performance of its obligations under this Agreement by the Company does not and will not breach, violate or cause a termination, default or acceleration under its Memorandum of Association or Bye-Laws or any agreement, document,

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instrument, policy (insurance or otherwise), or arrangement to which it is a party or is bound and (e) Indemnitee is relying upon this Agreement in serving in an Indemnified Position.

14. Specific Performance. It is specifically understood and agreed that any breach or threatened breach of this Agreement by the Company will result in irreparable injury to Indemnitee, that the remedy at law alone will be an inadequate remedy for such breach or threatened breach and that, in addition to any other remedy for such breach or threatened breach, the Indemnitee shall be entitled to enforce the provisions of this Agreement through both temporary and permanent injunctive relief, without the necessity of (a) proving actual damages, but without limitation of the rights to recover such damages and (b) posting a bond or other security.

15. Miscellaneous. No provision of this Agreement may be modified, waived, or discharged unless the modification, waiver or discharge is agreed to in writing signed by Indemnitee and either the Chairman of the Board or the President of the Company or another officer of the Company specifically designated by the Board. No waiver by either party at any time of any breach by the other party of, or of compliance with, any condition or provision of this Agreement to be performed by the other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same time or at any prior or subsequent time. The assertion or employment of any right or remedy hereunder,

or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party that are not set forth expressly in this Agreement. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of Bermuda, without giving effect to the principles of conflict of laws of that or any other jurisdiction. The headings in this Agreement are for convenience only and shall not affect the interpretation of any provision of this Agreement. All communications under this Agreement shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified; (b) when sent by confirmed facsimile if sent during normal business hours of the recipient; (c) seven days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (d) two days after deposit with an internationally recognized overnight courier, specifying two day or prior delivery, with written verification of receipt. All communications under this Agreement to the (i) Company shall be sent to its principal place of business to the attention of the Secretary and (ii) Indemnitee shall be sent to his residential mailing address on file with the Company.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

INDEMNITEE

/s/ Paul J. Collins

-----  
Name: Paul J. Collins

ENSTAR GROUP LIMITED

By: /s/ Richard J. Harris

-----  
Name: Richard J. Harris  
Title: Chief Financial Officer

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Exhibit A

[Date]

[Company name and Address]

Ladies and Gentlemen:

I have entered into an Indemnification Agreement, made as of January 31, 2007 (the "Indemnification Agreement"), with Enstar Group Limited (formerly known as Castlewood Holdings Limited) (the "Company") pursuant to which I am entitled to advancement of expenses. I understand that the entry into of this undertaking is a condition to the Company's obligations to advance expenses under the Indemnification Agreement.

Please accept this letter as my undertaking to repay Advanced Amounts (as defined in the Indemnification Agreement) if it shall ultimately be determined in a final, nonappealable judgment or decree that I am not entitled to be indemnified by the Company. I agree to repay any amounts to the Company within fifteen business days of any demand therefore pursuant to this undertaking.

This undertaking shall survive any termination or rescission of the Indemnification Agreement, unless agreed otherwise by the Company.

The validity, interpretation, construction and performance of this undertaking shall be governed by the laws of Bermuda, without giving effect to the principles of conflict of laws of that or any other jurisdiction.

Sincerely,

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (the "Agreement") is made as of January 31, 2007, between ENSTAR GROUP LIMITED (formerly known as Castlewood Holdings Limited), a company organized under the laws of Bermuda (the "Company"), and T. WAYNE DAVIS ("Indemnitee").

RECITAL

The Second Amended and Restated Bye-Laws of the Company, as may be amended from time to time (the "Bye-Laws") contain provisions indemnifying the Company's directors and officers with respect to certain liabilities and expenses. Indemnitee is currently serving as a director of the Company's Board of Directors (the "Board"), and the Board has determined that it is in the best interests of the shareholders of the Company for the Company to provide Indemnitee with additional assurance of protection against personal liability pursuant to and in furtherance of the Bye-Laws, as provided in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recital and of other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties, intending to be legally bound, agree as follows:

1. Indemnification.

(a) The Company shall hold harmless and indemnify and reimburse Indemnitee against all liabilities, costs, expenses (including without limitation, investigation expenses and expert witnesses' and attorneys' fees), judgments, penalties, fines, excise taxes, interest and amounts paid or to be paid in settlement in connection with any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, administrative hearing, or proceeding (collectively, a "Proceeding"), in which Indemnitee was or is a party or a witness, or is threatened to be made a party or a witness, including without limitation, actions by or in the right of the Company, whether civil, criminal, administrative, regulatory or investigative, by reason that, either before or after the date hereof, Indemnitee is or was a director, officer, employee, agent, fiduciary, or other representative of the Company, or is or was serving while a director, officer, employee, agent, fiduciary, or other representative of the Company at the request of the Company as a director, officer, employee, agent, fiduciary, or other representative of another corporation (for profit or not-for-profit), limited liability company, partnership, joint venture, trust, employee benefit plan or other entity or enterprise ("Indemnified Position"). Notwithstanding anything to the contrary set forth in this Agreement, the term "Proceeding" shall not include any action or proceeding commenced by Indemnitee, other than (i) mandatory counterclaims, (ii) affirmative defenses, (iii) as permitted by the Company and (iv) actions or proceedings to enforce the terms of this Agreement.

(b) If Indemnitee is entitled under this Agreement to indemnification by the Company for a portion of the Indemnified Amounts (defined below) but not for the total

amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled.

(c) The Company shall not settle any Proceeding in any manner which would impose any penalty or limitation of any kind or nature on Indemnitee without Indemnitee's prior written consent.

2. Limitations on Indemnification. Notwithstanding any other provision of this Agreement, Indemnitee shall not be entitled to indemnification under Section 1:

(a) if the claim, obligation or liability with respect to which indemnity is sought shall have been determined by a court of competent jurisdiction, by a final, nonappealable judgment or decree, to have resulted from Indemnitee's fraud or dishonesty;



(b) if a court of competent jurisdiction shall determine, by a final, nonappealable judgment or decree, that such indemnity is prohibited under applicable law;

(c) on account of any suit in which judgment is rendered for an accounting of profits made from the purchase or sale by Indemnitee of securities of the Company in violation of the provisions of Section 16(b) of the Securities Exchange Act of 1934, as amended, and amendments thereto or similar provisions of any U.S. federal or state statutory law or any Bermuda statutory law; or

(d) on account of any suit brought against Indemnitee for misuse or misappropriation of non-public information, or otherwise involving Indemnitee's status as an "insider" of the Company, in connection with any purchase or sale by Indemnitee of securities of the Company, and judgment is rendered against Indemnitee in such suit.

3. Other Indemnification Arrangements. The Company's purchase, establishment and maintenance of insurance or similar protection or other arrangements, including, but not limited to, the Bye-Laws, providing a trust fund, letter of credit or surety bond (collectively, "Indemnification Arrangements") on behalf of Indemnitee against any liability asserted against him or her or incurred by or on his or her behalf in his or her Indemnified Position, whether or not the Company would have the power to indemnify him or her against such liability under the provisions of this Agreement or under applicable law, shall not in any way limit or affect the rights and obligations of the Company or of Indemnitee under this Agreement, and the execution and delivery of this Agreement by the Company and Indemnitee shall not in any way limit or affect the rights and obligations of the Company or the other party or parties thereto under any Indemnification Arrangement. All amounts payable by the Company pursuant to this Section 3 or Section 1 are referred to as "Indemnified Amounts."

#### 4. Advance Payment of Indemnified Amounts.

(a) Subject to Section 4(b), Indemnitee hereby is granted the right to receive in advance of a final, nonappealable judgment or other final, nonappealable adjudication of a Proceeding the amount of any and all expenses, including, without limitation, attorney's

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fees, expended or incurred by Indemnitee in connection with any Proceeding (such amounts so expended or incurred, "Advanced Amounts").

(b) In making any request for Advanced Amounts, Indemnitee shall submit to the Company an undertaking by or on behalf of Indemnitee to repay the Advanced Amounts if it shall ultimately be determined in a final, nonappealable judgment or decree that he or she is not entitled to be indemnified by the Company. The undertaking shall be in the form attached hereto as Exhibit A. The Company shall pay to Indemnitee without the need for action by the Board Advanced Amounts within five days of its receipt of appropriate documentation and information evidencing the Advanced Amounts provided that Indemnitee has previously provided the Company with the undertaking required to be provided by Indemnitee pursuant to this Section 4(b).

#### 5. Procedure for Payment of Indemnified Amounts.

(a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request for payment of the appropriate Indemnified Amounts, with such documentation and information to accompany such request as is reasonably available to Indemnitee and reasonably necessary for the Company to determine whether and to what extent Indemnitee is entitled to indemnification.

(b) The Company shall pay Indemnitee the Indemnified Amounts unless it is established that Indemnitee has not met any applicable standard of conduct required in this Agreement or applicable law. For purposes of determining whether Indemnitee is entitled to Indemnified Amounts, in order to deny indemnification to Indemnitee, the Company shall have the burden of proof in establishing that Indemnitee did not meet the applicable standard of conduct required to qualify for indemnification. In this regard, a termination of any Proceeding by judgment, order, plea of nolo contendere, settlement or conviction shall not create a presumption that Indemnitee did not meet the applicable

standard of conduct required to qualify for indemnification.

(c) Any determination that Indemnitee has not met the applicable standard of conduct required to qualify for indemnification shall be made either (i) by the Board by a unanimous vote of all directors who were not parties to the Proceeding or (ii) by independent legal counsel (who may be the outside counsel regularly employed by the Company, so long as it has not advised any party in the subject matter of the Proceeding or the Proceeding itself) approved in advance in writing by both the highest ranking executive officer of the Company who is not party to the Proceeding and by Indemnitee. The fees and expenses of counsel in connection with making the determination contemplated hereunder shall be paid by the Company, and, if requested by such counsel, the Company shall give such counsel an appropriate written agreement with respect to the payment of their fees and expenses and such other matters as may be reasonably requested by such counsel.

(d) The Company shall use its best efforts to conclude as soon as practicable (but in no event later than 60 days from the date of Indemnitee's request for indemnification pursuant to Section 5(a)) any requested determination pursuant to Section 5(c) and shall promptly advise Indemnitee in writing with respect to any determination that

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Indemnitee is or is not entitled to indemnification, including a reasonably detailed description of any reason or basis for which indemnification has been denied. Payment of any applicable Indemnified Amounts shall be made to Indemnitee within five days after any determination of Indemnitee's entitlement to indemnification.

(e) Notwithstanding the foregoing, at any time after 30 days after Indemnitee's request for indemnification pursuant to Section 5(a) (or upon receipt of written notice that a claim for Indemnified Amounts has been rejected, if earlier), and before three years after a claim for Indemnified Amounts has been delivered by Indemnitee to the Company, Indemnitee may petition a court of competent jurisdiction to determine whether Indemnitee is entitled to indemnification under the provisions of this Agreement, and such court shall thereupon have the exclusive authority to make such determination unless and until the court dismisses or otherwise terminates the action without having made such determination. The court shall, as petitioned, make an independent determination of whether Indemnitee is entitled to indemnification as provided under this Agreement, irrespective of any prior determination made by the Board or independent counsel and without being provided or having evidence or testimony regarding any such prior determination. If the court determines that Indemnitee is entitled to indemnification as to any claim, issue or matter involved in the Proceeding with respect to which there has been no prior determination pursuant to this Agreement or with respect to which there has been a prior determination that Indemnitee was not entitled to indemnification hereunder, the Company shall pay all expenses, including attorneys' fees, actually incurred by Indemnitee in connection with obtaining such judicial determination, as well as Indemnified Amounts relating thereto.

(f) Nothing set forth in this Section 5 shall limit or affect the timing or amount, or the right of Indemnitee to payment, of any Advanced Amounts pursuant to Section 4.

#### 6. Agreement Not Exclusive: Subrogation Rights, etc.

(a) This Agreement shall not be deemed exclusive of and shall not diminish any other rights Indemnitee may have to be indemnified, insured or otherwise protected against any liability, cost, expense (including, without limitation, investigation expenses and expert witnesses and attorney's fees), judgment, penalty, fine, excise tax, interest or amount paid or to be paid in settlement by the Company, any subsidiary of the Company, or any other person or entity under any memorandum of association, charter, bylaw, law, agreement, policy of insurance or similar protection, vote of shareholders or directors, disinterested or not, or otherwise, whether or not now in effect, both as to actions in Indemnitee's official capacity with the Company, and as to actions in another capacity while holding such office, including Indemnitee's right to contribution as may be available under applicable law. The Company's obligations to make payments of Indemnified Amounts hereunder shall be satisfied to the extent that payments with respect to the same Proceeding (or part thereof) have been made to or for the benefit of Indemnitee by reason of the indemnification of Indemnitee pursuant to any other arrangement made by the Company for the

benefit of Indemnitee.

(b) If Indemnitee shall actually receive payment from any insurance carrier or from the plaintiff in any Proceeding against Indemnitee in respect of Indemnified Amounts after payments on account of all or part of such Indemnified Amounts have been made

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by the Company pursuant hereto, Indemnitee shall promptly reimburse to the Company the amount, if any, by which the sum of such payment by such insurance carrier or such plaintiff and payments by the Company or pursuant to arrangements made by the Company to Indemnitee exceeds such Indemnified Amounts. Portions, if any, of insurance proceeds that are required to be reimbursed to the insurance carrier under the terms of its insurance policy, such as deductible or co-insurance payments, shall not be deemed to be payments to Indemnitee hereunder. In addition, upon payment of Indemnified Amounts hereunder, the Company shall be subrogated to the rights of Indemnitee receiving such payments (to the extent thereof) against any insurance carrier (to the extent permitted under such insurance policies) or plaintiff in respect of such Indemnified Amounts and Indemnitee shall execute and deliver any and all instruments and documents and perform any and all other acts or deeds that the Company deems reasonably necessary or advisable to secure such rights; provided that the Company reimburses Indemnitee for any costs, expenses or liabilities incurred by it in providing such cooperation. Such right of subrogation shall be terminated upon receipt by the Company of the amount to be reimbursed by Indemnitee pursuant to the first sentence of this Section 6(b).

7. Additional Indemnification Rights. Notwithstanding any other provision of this Agreement, the Company hereby agrees to indemnify Indemnitee to the fullest extent permitted by applicable law, notwithstanding that such indemnification may not be specifically authorized by the other provisions of this Agreement, the Bye-Laws or by statute. If there is any change, after the date of this Agreement, in any applicable law, statute or rule, whether by case law or otherwise, that expands the right of a Bermuda company to indemnify a member of its board of directors, such changes shall be, ipso facto, within the purview of Indemnitee's rights and Company's obligations, under this Agreement. If there is any change in any applicable law, statute or rule that narrows the right of a Bermuda company to indemnify a member of its board of directors, such changes, to the extent not otherwise mandatorily required by such law, statute or rule to be applied to this Agreement, shall have no effect on this Agreement or the parties, rights and obligations hereunder.

#### 8. Insurance.

(a) If the Company maintains directors and officers liability insurance to protect itself and any of its directors or officers against any expense, liability or loss, and such insurance may cover Indemnitee, such insurance shall cover Indemnitee to at least the same extent as any other director or officer of the Company. If at any point (i) such insurance ceases to cover acts and omissions occurring during all or any part of the period of Indemnitee's Indemnified Position or (ii) neither the Company nor any of its subsidiaries maintains any such insurance, the Company shall ensure that Indemnitee is covered, for at least six years (or such shorter period as is available on commercially reasonable terms) from such point, by other directors and officers liability insurance, in amounts and on terms (including the period of Indemnitee's Indemnified Position) no less favorable (or such other commercially reasonable amounts and terms as are available) to Indemnitee than the amounts and terms of the liability insurance maintained by the Company on the date hereof, provided that such insurance is available on commercially reasonable terms.

(b) The Company shall give prompt notice of the commencement of a Proceeding to the insurers in accordance with the procedures set forth in the respective policies.

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The Company shall thereafter take reasonable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

#### 9. Severability. Each of the provisions of this Agreement is a separate

and distinct agreement and independent of the others, so that if any provisions hereof shall be held to be invalid or unenforceable for any reason or under any circumstances, such invalidity or unenforceability shall not affect the validity or enforceability of the other provisions hereof or the application of the invalid or unenforceable provision under other circumstances. Furthermore, to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of this Agreement containing any provision held to be invalid, void or otherwise unenforceable, that is not itself invalid, void or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

10. Further Assurances. The parties shall do, execute and deliver, or shall cause to be done, executed and delivered, all such further acts, documents and things as may be reasonably required for the purpose of giving effect to this Agreement and the transactions contemplated hereby.

11. Successors; Binding Agreement; No Third Party Beneficiaries. This Agreement shall be binding on and shall inure to the benefit of and be enforceable by the Company's successors and assigns and by Indemnitee's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. Except for the foregoing persons and entities, nothing in this Agreement, express or implied, is intended to or shall be deemed to confer upon any person or entity other than the parties hereto any rights or remedies under or by reason of this Agreement or any provision of this Agreement. The Company shall require any successor or assignee (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company, by written agreement in form and substance reasonably satisfactory to the Company and to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession or assignment had taken place.

12. Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original (including facsimile signatures), but all such counterparts shall together constitute one and the same instrument.

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instrument, policy (insurance or otherwise), or arrangement to which it is a party or is bound and (e) Indemnitee is relying upon this Agreement in serving in an Indemnified Position.

14. Specific Performance. It is specifically understood and agreed that any breach or threatened breach of this Agreement by the Company will result in irreparable injury to Indemnitee, that the remedy at law alone will be an inadequate remedy for such breach or threatened breach and that, in addition to any other remedy for such breach or threatened breach, the Indemnitee shall be entitled to enforce the provisions of this Agreement through both temporary and permanent injunctive relief, without the necessity of (a) proving actual damages, but without limitation of the rights to recover such damages and (b) posting a bond or other security.

15. Miscellaneous. No provision of this Agreement may be modified, waived, or discharged unless the modification, waiver or discharge is agreed to in writing signed by Indemnitee and either the Chairman of the Board or the President of the Company or another officer of the Company specifically designated by the Board. No waiver by either party at any time of any breach by the other party of, or of compliance with, any condition or provision of this Agreement to be performed by the other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same time or at any prior or subsequent time. The assertion or employment of any right or remedy hereunder,

or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party that are not set forth expressly in this Agreement. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of Bermuda, without giving effect to the principles of conflict of laws of that or any other jurisdiction. The headings in this Agreement are for convenience only and shall not affect the interpretation of any provision of this Agreement. All communications under this Agreement shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified; (b) when sent by confirmed facsimile if sent during normal business hours of the recipient; (c) seven days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (d) two days after deposit with an internationally recognized overnight courier, specifying two day or prior delivery, with written verification of receipt. All communications under this Agreement to the (i) Company shall be sent to its principal place of business to the attention of the Secretary and (ii) Indemnitee shall be sent to his residential mailing address on file with the Company.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

INDEMNITEE

/s/ T. Wayne Davis

-----  
Name: T. Wayne Davis

ENSTAR GROUP LIMITED

By: /s/ Richard J. Harris

-----  
Name: Richard J. Harris  
Title: Chief Financial Officer

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Exhibit A

[Date]

[Company name and Address]

Ladies and Gentlemen:

I have entered into an Indemnification Agreement, made as of January 31, 2007 (the "Indemnification Agreement"), with Enstar Group Limited (formerly known as Castlewood Holdings Limited) (the "Company") pursuant to which I am entitled to advancement of expenses. I understand that the entry into of this undertaking is a condition to the Company's obligations to advance expenses under the Indemnification Agreement.

Please accept this letter as my undertaking to repay Advanced Amounts (as defined in the Indemnification Agreement) if it shall ultimately be determined in a final, nonappealable judgment or decree that I am not entitled to be indemnified by the Company. I agree to repay any amounts to the Company within fifteen business days of any demand therefore pursuant to this undertaking.

This undertaking shall survive any termination or rescission of the Indemnification Agreement, unless agreed otherwise by the Company.

The validity, interpretation, construction and performance of this undertaking shall be governed by the laws of Bermuda, without giving effect to the principles of conflict of laws of that or any other jurisdiction.

Sincerely,

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (the "Agreement") is made as of January 31, 2007, between ENSTAR GROUP LIMITED (formerly known as Castlewood Holdings Limited), a company organized under the laws of Bermuda (the "Company"), and T. WHIT ARMSTRONG ("Indemnitee").

RECITAL

The Second Amended and Restated Bye-Laws of the Company, as may be amended from time to time (the "Bye-Laws") contain provisions indemnifying the Company's directors and officers with respect to certain liabilities and expenses. Indemnitee is currently serving as a director of the Company's Board of Directors (the "Board"), and the Board has determined that it is in the best interests of the shareholders of the Company for the Company to provide Indemnitee with additional assurance of protection against personal liability pursuant to and in furtherance of the Bye-Laws, as provided in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recital and of other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties, intending to be legally bound, agree as follows:

1. Indemnification.

(a) The Company shall hold harmless and indemnify and reimburse Indemnitee against all liabilities, costs, expenses (including without limitation, investigation expenses and expert witnesses' and attorneys' fees), judgments, penalties, fines, excise taxes, interest and amounts paid or to be paid in settlement in connection with any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, administrative hearing, or proceeding (collectively, a "Proceeding"), in which Indemnitee was or is a party or a witness, or is threatened to be made a party or a witness, including without limitation, actions by or in the right of the Company, whether civil, criminal, administrative, regulatory or investigative, by reason that, either before or after the date hereof, Indemnitee is or was a director, officer, employee, agent, fiduciary, or other representative of the Company, or is or was serving while a director, officer, employee, agent, fiduciary, or other representative of the Company at the request of the Company as a director, officer, employee, agent, fiduciary, or other representative of another corporation (for profit or not-for-profit), limited liability company, partnership, joint venture, trust, employee benefit plan or other entity or enterprise ("Indemnified Position"). Notwithstanding anything to the contrary set forth in this Agreement, the term "Proceeding" shall not include any action or proceeding commenced by Indemnitee, other than (i) mandatory counterclaims, (ii) affirmative defenses, (iii) as permitted by the Company and (iv) actions or proceedings to enforce the terms of this Agreement.

(b) If Indemnitee is entitled under this Agreement to indemnification by the Company for a portion of the Indemnified Amounts (defined below) but not for the total

amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled.

(c) The Company shall not settle any Proceeding in any manner which would impose any penalty or limitation of any kind or nature on Indemnitee without Indemnitee's prior written consent.

2. Limitations on Indemnification. Notwithstanding any other provision of this Agreement, Indemnitee shall not be entitled to indemnification under Section 1:

(a) if the claim, obligation or liability with respect to which indemnity is sought shall have been determined by a court of competent jurisdiction, by a final, nonappealable judgment or decree, to have resulted from Indemnitee's fraud or dishonesty;

(b) if a court of competent jurisdiction shall determine, by a final, nonappealable judgment or decree, that such indemnity is prohibited under applicable law;

(c) on account of any suit in which judgment is rendered for an accounting of profits made from the purchase or sale by Indemnitee of securities of the Company in violation of the provisions of Section 16(b) of the Securities Exchange Act of 1934, as amended, and amendments thereto or similar provisions of any U.S. federal or state statutory law or any Bermuda statutory law; or

(d) on account of any suit brought against Indemnitee for misuse or misappropriation of non-public information, or otherwise involving Indemnitee's status as an "insider" of the Company, in connection with any purchase or sale by Indemnitee of securities of the Company, and judgment is rendered against Indemnitee in such suit.

3. Other Indemnification Arrangements. The Company's purchase, establishment and maintenance of insurance or similar protection or other arrangements, including, but not limited to, the Bye-Laws, providing a trust fund, letter of credit or surety bond (collectively, "Indemnification Arrangements") on behalf of Indemnitee against any liability asserted against him or her or incurred by or on his or her behalf in his or her Indemnified Position, whether or not the Company would have the power to indemnify him or her against such liability under the provisions of this Agreement or under applicable law, shall not in any way limit or affect the rights and obligations of the Company or of Indemnitee under this Agreement, and the execution and delivery of this Agreement by the Company and Indemnitee shall not in any way limit or affect the rights and obligations of the Company or the other party or parties thereto under any Indemnification Arrangement. All amounts payable by the Company pursuant to this Section 3 or Section 1 are referred to as "Indemnified Amounts."

#### 4. Advance Payment of Indemnified Amounts.

(a) Subject to Section 4(b), Indemnitee hereby is granted the right to receive in advance of a final, nonappealable judgment or other final, nonappealable adjudication of a Proceeding the amount of any and all expenses, including, without limitation, attorney's

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fees, expended or incurred by Indemnitee in connection with any Proceeding (such amounts so expended or incurred, "Advanced Amounts").

(b) In making any request for Advanced Amounts, Indemnitee shall submit to the Company an undertaking by or on behalf of Indemnitee to repay the Advanced Amounts if it shall ultimately be determined in a final, nonappealable judgment or decree that he or she is not entitled to be indemnified by the Company. The undertaking shall be in the form attached hereto as Exhibit A. The Company shall pay to Indemnitee without the need for action by the Board Advanced Amounts within five days of its receipt of appropriate documentation and information evidencing the Advanced Amounts provided that Indemnitee has previously provided the Company with the undertaking required to be provided by Indemnitee pursuant to this Section 4(b).

#### 5. Procedure for Payment of Indemnified Amounts.

(a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request for payment of the appropriate Indemnified Amounts, with such documentation and information to accompany such request as is reasonably available to Indemnitee and reasonably necessary for the Company to determine whether and to what extent Indemnitee is entitled to indemnification.

(b) The Company shall pay Indemnitee the Indemnified Amounts unless it is established that Indemnitee has not met any applicable standard of conduct required in this Agreement or applicable law. For purposes of determining whether Indemnitee is entitled to Indemnified Amounts, in order to deny indemnification to Indemnitee, the Company shall have the burden of proof in establishing that Indemnitee did not meet the applicable standard of conduct required to qualify for indemnification. In this regard, a termination of any Proceeding by judgment, order, plea of nolo contendere, settlement or conviction shall not create a presumption that Indemnitee did not meet the applicable

standard of conduct required to qualify for indemnification.

(c) Any determination that Indemnitee has not met the applicable standard of conduct required to qualify for indemnification shall be made either (i) by the Board by a unanimous vote of all directors who were not parties to the Proceeding or (ii) by independent legal counsel (who may be the outside counsel regularly employed by the Company, so long as it has not advised any party in the subject matter of the Proceeding or the Proceeding itself) approved in advance in writing by both the highest ranking executive officer of the Company who is not party to the Proceeding and by Indemnitee. The fees and expenses of counsel in connection with making the determination contemplated hereunder shall be paid by the Company, and, if requested by such counsel, the Company shall give such counsel an appropriate written agreement with respect to the payment of their fees and expenses and such other matters as may be reasonably requested by such counsel.

(d) The Company shall use its best efforts to conclude as soon as practicable (but in no event later than 60 days from the date of Indemnitee's request for indemnification pursuant to Section 5(a)) any requested determination pursuant to Section 5(c) and shall promptly advise Indemnitee in writing with respect to any determination that

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Indemnitee is or is not entitled to indemnification, including a reasonably detailed description of any reason or basis for which indemnification has been denied. Payment of any applicable Indemnified Amounts shall be made to Indemnitee within five days after any determination of Indemnitee's entitlement to indemnification.

(e) Notwithstanding the foregoing, at any time after 30 days after Indemnitee's request for indemnification pursuant to Section 5(a) (or upon receipt of written notice that a claim for Indemnified Amounts has been rejected, if earlier), and before three years after a claim for Indemnified Amounts has been delivered by Indemnitee to the Company, Indemnitee may petition a court of competent jurisdiction to determine whether Indemnitee is entitled to indemnification under the provisions of this Agreement, and such court shall thereupon have the exclusive authority to make such determination unless and until the court dismisses or otherwise terminates the action without having made such determination. The court shall, as petitioned, make an independent determination of whether Indemnitee is entitled to indemnification as provided under this Agreement, irrespective of any prior determination made by the Board or independent counsel and without being provided or having evidence or testimony regarding any such prior determination. If the court determines that Indemnitee is entitled to indemnification as to any claim, issue or matter involved in the Proceeding with respect to which there has been no prior determination pursuant to this Agreement or with respect to which there has been a prior determination that Indemnitee was not entitled to indemnification hereunder, the Company shall pay all expenses, including attorneys' fees, actually incurred by Indemnitee in connection with obtaining such judicial determination, as well as Indemnified Amounts relating thereto.

(f) Nothing set forth in this Section 5 shall limit or affect the timing or amount, or the right of Indemnitee to payment, of any Advanced Amounts pursuant to Section 4.

#### 6. Agreement Not Exclusive: Subrogation Rights, etc.

(a) This Agreement shall not be deemed exclusive of and shall not diminish any other rights Indemnitee may have to be indemnified, insured or otherwise protected against any liability, cost, expense (including, without limitation, investigation expenses and expert witnesses and attorney's fees), judgment, penalty, fine, excise tax, interest or amount paid or to be paid in settlement by the Company, any subsidiary of the Company, or any other person or entity under any memorandum of association, charter, bylaw, law, agreement, policy of insurance or similar protection, vote of shareholders or directors, disinterested or not, or otherwise, whether or not now in effect, both as to actions in Indemnitee's official capacity with the Company, and as to actions in another capacity while holding such office, including Indemnitee's right to contribution as may be available under applicable law. The Company's obligations to make payments of Indemnified Amounts hereunder shall be satisfied to the extent that payments with respect to the same Proceeding (or part thereof) have been made to or for the benefit of Indemnitee by reason of the indemnification of Indemnitee pursuant to any other arrangement made by the Company for the



benefit of Indemnitee.

(b) If Indemnitee shall actually receive payment from any insurance carrier or from the plaintiff in any Proceeding against Indemnitee in respect of Indemnified Amounts after payments on account of all or part of such Indemnified Amounts have been made

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by the Company pursuant hereto, Indemnitee shall promptly reimburse to the Company the amount, if any, by which the sum of such payment by such insurance carrier or such plaintiff and payments by the Company or pursuant to arrangements made by the Company to Indemnitee exceeds such Indemnified Amounts. Portions, if any, of insurance proceeds that are required to be reimbursed to the insurance carrier under the terms of its insurance policy, such as deductible or co-insurance payments, shall not be deemed to be payments to Indemnitee hereunder. In addition, upon payment of Indemnified Amounts hereunder, the Company shall be subrogated to the rights of Indemnitee receiving such payments (to the extent thereof) against any insurance carrier (to the extent permitted under such insurance policies) or plaintiff in respect of such Indemnified Amounts and Indemnitee shall execute and deliver any and all instruments and documents and perform any and all other acts or deeds that the Company deems reasonably necessary or advisable to secure such rights; provided that the Company reimburses Indemnitee for any costs, expenses or liabilities incurred by it in providing such cooperation. Such right of subrogation shall be terminated upon receipt by the Company of the amount to be reimbursed by Indemnitee pursuant to the first sentence of this Section 6(b).

7. Additional Indemnification Rights. Notwithstanding any other provision of this Agreement, the Company hereby agrees to indemnify Indemnitee to the fullest extent permitted by applicable law, notwithstanding that such indemnification may not be specifically authorized by the other provisions of this Agreement, the Bye-Laws or by statute. If there is any change, after the date of this Agreement, in any applicable law, statute or rule, whether by case law or otherwise, that expands the right of a Bermuda company to indemnify a member of its board of directors, such changes shall be, ipso facto, within the purview of Indemnitee's rights and Company's obligations, under this Agreement. If there is any change in any applicable law, statute or rule that narrows the right of a Bermuda company to indemnify a member of its board of directors, such changes, to the extent not otherwise mandatorily required by such law, statute or rule to be applied to this Agreement, shall have no effect on this Agreement or the parties, rights and obligations hereunder.

#### 8. Insurance.

(a) If the Company maintains directors and officers liability insurance to protect itself and any of its directors or officers against any expense, liability or loss, and such insurance may cover Indemnitee, such insurance shall cover Indemnitee to at least the same extent as any other director or officer of the Company. If at any point (i) such insurance ceases to cover acts and omissions occurring during all or any part of the period of Indemnitee's Indemnified Position or (ii) neither the Company nor any of its subsidiaries maintains any such insurance, the Company shall ensure that Indemnitee is covered, for at least six years (or such shorter period as is available on commercially reasonable terms) from such point, by other directors and officers liability insurance, in amounts and on terms (including the period of Indemnitee's Indemnified Position) no less favorable (or such other commercially reasonable amounts and terms as are available) to Indemnitee than the amounts and terms of the liability insurance maintained by the Company on the date hereof, provided that such insurance is available on commercially reasonable terms.

(b) The Company shall give prompt notice of the commencement of a Proceeding to the insurers in accordance with the procedures set forth in the respective policies.

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The Company shall thereafter take reasonable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

#### 9. Severability. Each of the provisions of this Agreement is a separate

and distinct agreement and independent of the others, so that if any provisions hereof shall be held to be invalid or unenforceable for any reason or under any circumstances, such invalidity or unenforceability shall not affect the validity or enforceability of the other provisions hereof or the application of the invalid or unenforceable provision under other circumstances. Furthermore, to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of this Agreement containing any provision held to be invalid, void or otherwise unenforceable, that is not itself invalid, void or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

10. Further Assurances. The parties shall do, execute and deliver, or shall cause to be done, executed and delivered, all such further acts, documents and things as may be reasonably required for the purpose of giving effect to this Agreement and the transactions contemplated hereby.

11. Successors; Binding Agreement; No Third Party Beneficiaries. This Agreement shall be binding on and shall inure to the benefit of and be enforceable by the Company's successors and assigns and by Indemnitee's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. Except for the foregoing persons and entities, nothing in this Agreement, express or implied, is intended to or shall be deemed to confer upon any person or entity other than the parties hereto any rights or remedies under or by reason of this Agreement or any provision of this Agreement. The Company shall require any successor or assignee (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company, by written agreement in form and substance reasonably satisfactory to the Company and to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession or assignment had taken place.

12. Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original (including facsimile signatures), but all such counterparts shall together constitute one and the same instrument.

13. Corporate Power and Authority; Due Authorization; Valid and Binding Obligation. The Company represents and warrants that (a) it has the corporate power and authority to execute, deliver and perform its obligations under this Agreement, (b) this Agreement has been duly authorized, executed and delivered by the Company, (c) upon the execution and delivery of this Agreement by the Indemnitee, this Agreement will constitute a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, (d) the execution, delivery and performance of its obligations under this Agreement by the Company does not and will not breach, violate or cause a termination, default or acceleration under its Memorandum of Association or Bye-Laws or any agreement, document,

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instrument, policy (insurance or otherwise), or arrangement to which it is a party or is bound and (e) Indemnitee is relying upon this Agreement in serving in an Indemnified Position.

14. Specific Performance. It is specifically understood and agreed that any breach or threatened breach of this Agreement by the Company will result in irreparable injury to Indemnitee, that the remedy at law alone will be an inadequate remedy for such breach or threatened breach and that, in addition to any other remedy for such breach or threatened breach, the Indemnitee shall be entitled to enforce the provisions of this Agreement through both temporary and permanent injunctive relief, without the necessity of (a) proving actual damages, but without limitation of the rights to recover such damages and (b) posting a bond or other security.

15. Miscellaneous. No provision of this Agreement may be modified, waived, or discharged unless the modification, waiver or discharge is agreed to in writing signed by Indemnitee and either the Chairman of the Board or the President of the Company or another officer of the Company specifically designated by the Board. No waiver by either party at any time of any breach by the other party of, or of compliance with, any condition or provision of this Agreement to be performed by the other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same time or at any prior or subsequent time. The assertion or employment of any right or remedy hereunder,

or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party that are not set forth expressly in this Agreement. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of Bermuda, without giving effect to the principles of conflict of laws of that or any other jurisdiction. The headings in this Agreement are for convenience only and shall not affect the interpretation of any provision of this Agreement. All communications under this Agreement shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified; (b) when sent by confirmed facsimile if sent during normal business hours of the recipient; (c) seven days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (d) two days after deposit with an internationally recognized overnight courier, specifying two day or prior delivery, with written verification of receipt. All communications under this Agreement to the (i) Company shall be sent to its principal place of business to the attention of the Secretary and (ii) Indemnitee shall be sent to his residential mailing address on file with the Company.

(The remainder of this page is intentionally left blank.)

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

INDEMNITEE

/s/ T. Whit Armstrong

-----  
Name: T. Whit Armstrong

ENSTAR GROUP LIMITED

By: /s/ Richard J. Harris

-----  
Name: Richard J. Harris  
Title: Chief Financial Officer

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Exhibit A

[Date]

[Company name and Address]

Ladies and Gentlemen:

I have entered into an Indemnification Agreement, made as of January 31, 2007 (the "Indemnification Agreement"), with Enstar Group Limited (formerly known as Castlewood Holdings Limited) (the "Company") pursuant to which I am entitled to advancement of expenses. I understand that the entry into of this undertaking is a condition to the Company's obligations to advance expenses under the Indemnification Agreement.

Please accept this letter as my undertaking to repay Advanced Amounts (as defined in the Indemnification Agreement) if it shall ultimately be determined in a final, nonappealable judgment or decree that I am not entitled to be indemnified by the Company. I agree to repay any amounts to the Company within fifteen business days of any demand therefore pursuant to this undertaking.

This undertaking shall survive any termination or rescission of the Indemnification Agreement, unless agreed otherwise by the Company.

The validity, interpretation, construction and performance of this undertaking shall be governed by the laws of Bermuda, without giving effect to the principles of conflict of laws of that or any other jurisdiction.

Sincerely,

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT is dated January 31, 2007, to take effect as of the Closing Date referred to in Section 1 hereof, between Castlewood Holdings Limited, a Bermuda corporation ("Company"), Castlewood (US) Inc., a Delaware corporation ("Castlewood (US)"), and John J. Oros ("Executive").

BACKGROUND

Company and Castlewood (US) desire to employ Executive, and Executive desires to be an employee of Company and Castlewood (US), on the terms and conditions contained in this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein and intending to be legally bound hereby, the parties hereto agree as follows:

TERMS

1. CAPACITY AND DUTIES

1.1 EMPLOYMENT; ACCEPTANCE OF EMPLOYMENT. Company and Castlewood (US) hereby employ Executive and Executive hereby agrees to be employed by Company and Castlewood (US) for the period and upon the terms and conditions hereinafter set forth. Effective on the Closing Date, as defined in the Agreement and Plan of Merger, dated on or about May 23, 2006 and amended on November 21, 2006 (the "Merger Agreement"), among Company, CWMS Merger Corp., a Georgia corporation and a direct wholly-owned subsidiary of Company, and The Enstar Group, Inc. ("Enstar"), a Georgia corporation, the Employment Agreement between Enstar and Executive dated March 2, 2000 and any other employment agreements between Executive and Enstar or any affiliate thereof are hereby terminated and the rights and obligations of each party shall be governed by this Agreement. For the avoidance of doubt, the consummation of the transactions contemplated in the Merger Agreement shall not be a "Change in Control" for purposes of this Agreement. In the event the Merger Agreement is terminated pursuant to the provisions thereof, this Agreement shall become void and shall have no effect, and the terms of the Employment Agreement, as dated March 2, 2000 and as in effect immediately prior to the execution of this Agreement shall continue in full force and effect.

1.2 CAPACITY AND DUTIES.

(a) Executive shall serve as Executive Chairman of Company, and shall perform such duties and shall have such authority consistent with his position as may from time to time be specified by the Board of Directors of Company. Executive shall report directly to the Board of Directors of Company and his principal place of business shall be Company's office in Bermuda. It is recognised that extensive travel may be necessary or appropriate in connection with the performance of Executive's duties as Executive Chairman of Company. Executive shall not conduct any business in the United States in his capacity as Executive Chairman of the Company.

Executive shall also serve as Executive Chairman of Castlewood (US), and shall perform such duties and shall have such authority consistent with his position as may from time to time be specified by the Board of Directors of Castlewood (US). Executive shall report directly to the Board of Directors of Castlewood (US) and his principal place of business shall be Company's office in New York City.

(b) Executive shall devote 50% of his full working time (at least 70 hours per month including travel time and including paid vacation as provided in Section 3.4), energy, skill and best efforts to the performance of his duties hereunder, in a manner that will comply with Company's and Castlewood (US)'s rules and policies and will faithfully and diligently further the business and interests of Company and Castlewood (US). Executive shall not be employed by or participate or engage in or in any manner be a part of the management or operation of any business enterprise other than Company and Castlewood (US) without the prior written consent of Company and Castlewood (US), which consent may be granted or withheld in the reasonable discretion of the Board of

Directors of Company and Castlewood (US). Notwithstanding anything herein to the contrary, nothing shall preclude Executive from (i) serving on the boards of directors of a reasonable number of other corporations or the boards of a reasonable number of trade associations and/or charitable organizations, (ii) serving as an officer or director of J.C. Flowers & Co. LLC and its affiliates, (iii) engaging in charitable, community and other business affairs, and (iv) managing his personal investments and affairs, provided that such activities do not materially interfere with the proper performance of his responsibilities and duties hereunder.

## 2. TERM OF EMPLOYMENT

2.1 TERM. The term of Executive's employment hereunder shall be five years commencing on the Closing Date, as further extended or unless sooner terminated in accordance with the other provisions hereof (the "Term"). Except as hereinafter provided, on the fifth anniversary of the commencement date and on each subsequent anniversary thereof, the Term shall be automatically extended for one year unless either party shall have given to the other party written notice of termination of this Agreement at least 120 days prior to such anniversary. If written notice of termination is given as provided above, Executive's employment under this Agreement shall terminate on the last day of the Term.

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## 3. COMPENSATION

3.1 BASIC COMPENSATION. As compensation for Executive's services, during the first twelve months of the Term, Castlewood (US) shall pay to Executive a salary at the annual rate of \$282,500 payable in periodic installments in accordance with Castlewood (US)'s regular payroll practices in effect from time to time. For each subsequent twelve-month period of Executive's employment hereunder, Executive's salary shall be in the amount of his initial annual salary with such increases as may be established by the Board of Directors of Castlewood (US) in consultation with Executive, provided that the increase in base salary with respect to each subsequent twelve-month period shall not be less than the product of Executive's base salary multiplied by the annual percentage increase in the retail price index (expressed as a decimal) for the United States, as reported in the most recent report of the U.S. Department of Labor for the preceding twelve-month period. The resulting base salary will be a percentage of the annual base salary of the Chief Executive Officer of the Company with the guideline for such percentage being 50% but this can be varied by the Compensation Committee of the Company. Once increased, Executive's annual salary cannot be decreased without the written consent of Executive. Executive's annual salary, as determined in accordance with this Section 3.1, is hereinafter referred to as his "Base Salary."

3.2 PERFORMANCE BONUS. Executive shall, following the completion of each fiscal year of Company during the Term, be eligible for a performance bonus in accordance with the performance bonus plan established by Company; it being understood that Executive's performance bonus opportunity will be a percentage of the performance bonus opportunity of the Chief Executive Officer of the Company with the guideline for this percentage being 50% but this can be varied by the Compensation Committee of the Company. Executive shall also be eligible for additional equity and other incentive awards, at a level commensurate with his position of Executive Chairman and in accordance with the policies and practices of Company; it will be a percentage of the equity and other incentive award opportunity afforded the Chief Executive Officer of the Company with the guideline for this percentage being 50% but this can be varied by the Compensation Committee of the Company.

3.3 EMPLOYEE BENEFITS. During the Term, Executive shall be entitled to participate in Castlewood (US)'s 401(k) plan and to receive the medical, dental and long term disability coverage under Castlewood (US)'s benefit plans, as Castlewood (US) may provide from time to time, and such other benefits that Castlewood (US) makes available to its senior management and, to the extent Executive's entitlement does result in a duplication of benefits, Company makes available to its senior management. In addition, during the Term Executive shall be entitled to and Castlewood (US) shall provide or cause to be provided to Executive the following:

(a) a life insurance policy in the amount of five times Executive's Base Salary, provided that Executive assists Company in the procurement of such policy

(including, without limitation, submitting to any required physical examinations and completing accurately any applicable applications and or questionnaires);

(b) fully comprehensive medical and dental coverage under Castlewood (US)'s benefit plan for Executive, his spouse and dependents and an annual medical examination for same;

(c) long term disability coverage, including coverage for serious illness, and full compensation paid by Castlewood (US) during the period up to and until Executive begins receiving benefits under such long term disability plan. In the event that the generally applicable group long-term disability plan contains a limitation on benefits that would result in Executive's being entitled to benefit payments under such plan which are less than 50% of his salary, Castlewood (US) shall provide Executive with an individual disability policy paying a benefit amount that, when coupled with the group policy benefit payable, would provide Executive with aggregate benefits in connection with his long-term disability equal to 50% of such salary (provided that, if an individual policy can not be obtained for such amount on commercially reasonable rates and on commercially reasonable terms, Castlewood (US) shall provide Executive with a policy providing for the greatest amount of individual coverage that is available on such standard terms and rates). Provision of any individual disability policy will also be contingent upon Executive being able to be insured at commercially reasonable rates and on commercially reasonable terms and upon Executive assisting Castlewood (US) in the procurement of such policy (including, without limitation, submitting to any required physical examinations and completing accurately any applicable applications and or questionnaires); and

(d) payment from Castlewood (US) of an amount equal to 10% of Executive's Base Salary, less an amount, if any, equal to non-elective employer contributions made to Castlewood (US)'s 401(k) plan for the benefit of Executive, each year to Executive as contribution to his pension plans.

3.4 VACATION. During the Term, Executive shall be entitled to a paid vacation of 15 days per year (including 15 days during 2006).

3.5 EXPENSE REIMBURSEMENT. Castlewood (US) shall reimburse Executive for all reasonable out-of-pocket expenses incurred by him in connection with the performance of his duties under this Agreement in accordance with its regular reimbursement policies as in effect from time to time.

#### 4. TERMINATION OF EMPLOYMENT

4.1 DEATH OF EXECUTIVE. If Executive dies during the Term, and for the year in which Executive dies, Company achieves the performance goals established in accordance with any incentive plan in which Executive participates, Castlewood (US) shall pay Executive's estate on the date set forth in such plan an amount equal to the bonus that Executive would have received had he been employed by Company or one of

its affiliates for the full year, multiplied by a fraction, the numerator of which is the number of calendar days Executive was employed in such year and the denominator of which is 365. In addition, Executive's spouse and dependents (if any) shall be entitled for a period ending on December 31 of the second calendar year commencing on the date of termination, to continue to receive medical benefits coverage (as described in Section 3.3) at Castlewood's expense if and to the extent Castlewood (US) was paying for such benefits for Executive's spouse and dependents at the time of Executive's death.

4.2 DISABILITY. If Executive is or has been materially unable for any reason to perform his duties hereunder for 120 days during any period of 150 consecutive days, Company and Castlewood (US) shall have the right to terminate Executive's employment upon 30 days' prior written notice to Executive at any time during the continuation of such inability. In the event of termination under this Section 4.2, (a) Castlewood (US) shall thereafter be obligated to continue to pay Executive's Base Salary for a period of 36 months, periodically in accordance with Castlewood (US)'s regular payroll practices, unless Executive is at such time a "specified employee" for purposes of Section 409A ("Section

409A") of the Internal Revenue Code of 1986, as amended, in which event payment shall not commence until the first business day after the six month anniversary of such termination of employment, at which time the amounts that would otherwise have been paid during such six months shall be paid in a lump sum, and (b) Castlewood (US), on the 10th day following the date of termination, shall pay any other amounts (including salary, bonuses, expense reimbursement, etc.) that have been fully earned by, but not yet paid to, Executive under this Agreement as of the date of such termination. The amount of payments to Executive under disability insurance policies paid for by Castlewood (US) shall be credited against and shall reduce the Base Salary otherwise payable by Castlewood (US) following termination of employment. If, for the year in which Executive's employment is terminated pursuant to this Section 4.2, Company achieves the performance goals established in accordance with any incentive plan in which Executive participates, Castlewood (US) shall pay Executive an amount equal to the bonus that Executive would have received had he been employed by Company and Castlewood (US) for the full year, multiplied by a fraction, the numerator of which is the number of calendar days Executive was employed in such year and the denominator of which is 365; such amount shall be paid on the date set forth in such bonus plan or, if later and if required to comply with Section 409A, on the first business day after the six month anniversary of such termination of employment. Executive shall be entitled for a period ending on December 31 of the second calendar year commencing on the date of termination, to continue to receive at Castlewood (US)'s expense medical benefits coverage (as described in Section 3.3) for Executive and Executive's spouse and dependents (if any) if and to the extent Castlewood (US) was paying for such benefits to Executive and Executive's spouse and dependents at the time of such termination.

4.3 TERMINATION FOR CAUSE. Executive's employment hereunder shall terminate immediately upon notice that the Board of Directors of Company is terminating Executive for Cause (as defined herein), in which event Company and Castlewood (US) shall not thereafter be obligated to make any further payments hereunder other than amounts (including salary, expense reimbursement, etc.) that have been fully earned by,

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but not yet paid to, Executive under this Agreement as of the date of such termination. "Cause" shall mean (a) fraud or dishonesty in connection with Executive's employment that results in a material injury to Company, (b) conviction of any felony or crime involving fraud or misrepresentation or (c) after Executive has received written notice of the specific material and continuing failure of Executive to perform his duties hereunder (other than death or disability) and has failed to cure such failure within 30 days of receipt of the notice, or (d) material and continuing failure to follow reasonable instructions of the Board of Directors of Company or Castlewood (US) after Executive has received prior written notice of the specific material and continuing failure to follow instructions and has failed to cure such failure within 30 days of receipt of the notice.

4.4 TERMINATION WITHOUT CAUSE OR FOR GOOD REASON.

(a) If (1) Executive's employment is terminated by Company or Castlewood (US) for any reason other than Cause or the death or disability of Executive, or (2) Executive's employment is terminated by Executive for Good Reason (as defined herein):

(i) Castlewood (US) shall pay Executive any amounts (including salary, bonuses, expense reimbursement, etc.) that have been fully earned by, but not yet paid to, Executive under this Agreement as of the date of such termination;

(ii) Castlewood (US) shall pay Executive a lump sum amount equal to three times the Base Salary payable to him on the 10th day following the date of such termination or if Executive is at such time a "specified employee" for purposes of Section 409A, on the first business day following the six month anniversary of such termination;

(iii) Executive shall be entitled to continue to receive medical benefits coverage (as described in Section 3.3) for Executive and Executive's spouse and dependents (if any) at Castlewood (US)'s expense for a period ending on December 31 of the second calendar year commencing on the date of termination;

(iv) Anything to the contrary in any other agreement or document notwithstanding, each outstanding equity incentive award granted to Executive before, on or within three years after the Closing Date shall become immediately vested and exercisable on the date of such termination; and

(v) In addition, if, for the year in which Executive is terminated, Company achieves the performance goals established in accordance with any incentive plan in which Executive participates, Castlewood (US) shall pay an amount equal to the bonus that Executive would have received had he been employed by Company or Castlewood (US) for the full year; such amount shall be paid on the date set forth in such bonus plan or, if later and if required to comply with Section 409A, on the first business day after the six month anniversary of such termination of employment.

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(b) Upon making the payments described in this Section 4.4, Company and Castlewood (US) shall have no further obligation to Executive under this Agreement.

(c) "Good Reason" shall mean the following:

(i) material breach of Company's or Castlewood (US)'s obligations hereunder, provided that Executive shall have given written notice thereof to Company or Castlewood (US), as applicable, and Company and Castlewood (US) shall have failed to remedy the circumstances within 30 days;

(ii) in respect of Company, the relocation of Executive's principal business office outside of Bermuda without the Executive's prior agreement and, in respect of Castlewood (US), the relocation of Executive's principal business office outside of New York City without the Executive's prior agreement; or

(iii) any material reduction in Executive's duties or authority.

#### 4.5 CHANGE IN CONTROL.

(a) If, during the Term, there should be a Change of Control (as defined herein), and within 1 year thereafter either (i) Executive's employment should be terminated for any reason other than for Cause or (ii) Executive terminates his employment for Good Reason (as defined in Section 4.4):

(i) Castlewood (US) shall pay Executive any amounts (including salary, bonuses, expense reimbursement, etc.) that have been fully earned by, but not yet paid to, Executive under this Agreement as of the date of such termination;

(ii) Castlewood (US) shall pay Executive a lump sum amount equal to three times Executive's then current Base Salary on the 10th day following the date of such termination or if Executive is at such time a "specified employee" for purposes of Section 409A, on the first business day after the six month anniversary of such termination;

(iii) Executive shall be entitled to continue to receive medical benefits coverage (as described in Section 3.3) for Executive and Executive's spouse and dependents (if any) at Castlewood (US)'s expense for a period of ending on December 31 of the second calendar year commencing on the date of termination;

(iv) Anything to the contrary in any other agreement or document notwithstanding, each outstanding equity incentive award granted to Executive before, on or after the date hereof shall become immediately vested and exercisable on the date of such termination; and

(v) In addition, if, for the year in which Executive is terminated, Company achieves the performance goals established in accordance with any

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incentive plan in which Executive participates, Castlewood (US) shall pay an amount equal to the bonus that Executive would have received had he been



employed by Company or Castlewood (US) for the full year; such amount shall be paid on the date set forth in such bonus plan or, if later and if required to comply with Section 409A, on the first business day after the six month anniversary of such termination of employment.

(b) Upon making the payments described in this Section 4.5, Company and Castlewood (US) shall have no further obligation to Executive under this Agreement.

(c) A "Change in Control" shall mean:

(i) the acquisition by any person, entity or "group" required to file a Schedule 13D or Schedule 14D-1 under the Securities Exchange Act of 1934 (the "1934 Act") (excluding, for this purpose, Company, its subsidiaries, any employee benefit plan of Company or its subsidiaries which acquires ownership of voting securities of Company, and any group that includes Executive) of beneficial ownership (within the meaning of Rule 13d-3 under the 1934 Act) of 50% or more of either the then outstanding ordinary shares or the combined voting power of Company's then outstanding voting securities entitled to vote generally in the election of directors;

(ii) the election or appointment to the Board of Directors of Company, or resignation of or removal from the Board, of directors with the result that the individuals who as of the date hereof constituted the Board (the "Incumbent Board") no longer constitute at least a majority of the Board, provided that any person who becomes a director subsequent to the date hereof whose appointment, election, or nomination for election by Company's shareholders, was approved by a vote of at least a majority of the Incumbent Board (other than an appointment, election or nomination of an individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of the directors of Company) shall be, for purposes of this Agreement, considered as though such person were a member of the Incumbent Board; or

(iii) approval by the shareholders of Company of: (i) a reorganization, merger or consolidation by reason of which persons who were the shareholders of Company immediately prior to such reorganization, merger or consolidation do not, immediately thereafter, own more than 50% of the combined voting power of the reorganized, merged or consolidated company's then outstanding voting securities entitled to vote generally in the election of directors, or (ii) a liquidation or dissolution of Company or the sale, transfer, lease or other disposition of all or substantially all of the assets of Company (whether such assets are held directly or indirectly).

## 5. RESTRICTIVE COVENANTS

### 5.1 RESTRICTIVE COVENANTS.

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(a) Executive acknowledges that he is one of a small number of key executives and that in such capacity, he will have access to confidential information of Company and its affiliates and will engage in key client relationships on behalf of Company and that it is fair and reasonable for protection of the legitimate interests of Company and the other key executives of Company that he should accept the restrictions described in Exhibit A hereto.

(b) Promptly following Executive's termination of employment, Executive shall return to Company all property of Company, and all documents, accounts, letters and papers of every description relating to the affairs and business of Company or any of its subsidiaries, and copies thereof in Executive's possession or under his control.

(c) Executive acknowledges and agrees that the covenants and obligations of Executive in Exhibit A and this Section 5.1 relate to special, unique and extraordinary matters and that a violation of any of the terms of such covenants and obligations will cause Company irreparable injury for which adequate remedies are not available at law. Therefore, Executive agrees that Company shall be entitled to an injunction, restraining order or such other equitable relief (without the requirement to post bond) restraining Executive from committing any violation of the covenants and obligations contained in Exhibit A and this Section 5.1. These injunctive remedies are cumulative and are in addition to any other rights and remedies Company may have at law or in equity.

(d) Executive agrees that if he applies for, or is offered employment by (or is to provide consultancy services to) any other person, firm, company, business entity or other organization whatsoever (other than an affiliate of Company) during the restriction periods set forth in Exhibit A, he shall promptly, and before entering into any contract with any such third party, provide to such third party a full copy of Exhibit A and this Section 5.1 in order to ensure that such other party is fully aware of Executive's obligations hereunder.

5.2 INTELLECTUAL PROPERTY RIGHTS. Executive recognizes and agrees that Executive's duties for Company or Castlewood (US) may include the preparation of materials, including written or graphic materials for Company, Castlewood (US) or their affiliates, and that any such materials conceived or written by Executive shall be done within the scope of his employment as a "work made for hire." Executive agrees that because any such work is a "work made for hire," Company (or the relevant affiliate of Company) will solely retain and own all rights in said materials, including rights of copyright. Executive agrees to disclose and assign to Company his entire right, title and interest in and to all inventions and improvements related to Company's business or to the business of Company's affiliates (including, but not limited to, all financial and sales information), whether patentable or not, whether made or conceived by him individually or jointly with others at any time during his employment by Company or Castlewood (US) hereunder. Such inventions and improvements are to become and remain the property of Company and Executive shall take such actions as are reasonably necessary to effectuate the foregoing.

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## 6. MISCELLANEOUS

6.1 KEY EMPLOYEE INSURANCE. Company and Castlewood (US) shall each have the right at their own expense to purchase insurance on the life of Executive, in such amounts as it shall from time to time determine, of which either Company or Castlewood (US), as applicable, shall be the beneficiary. Executive shall submit to such physical examinations as may reasonably be required and shall otherwise cooperate with Company in obtaining such insurance.

6.2 INDEMNIFICATION/LITIGATION. Company and Castlewood (US) shall indemnify and defend Executive against all claims arising out of Executive's activities as an officer or employee of Company, Castlewood (US) or their affiliates to the fullest extent permitted by law and under Company's and Castlewood (US)'s organizational documents. At the request of Company, Executive shall during and after the Term render reasonable assistance to Company in connection with any litigation or other proceeding involving Company or any of its affiliates. Company shall provide reasonable compensation to Executive for such assistance rendered after the Term.

6.3 NO MITIGATION. In no event shall Executive be required to seek other employment or take any other action by way of mitigation of the amounts payable to Executive under this Agreement, and such amounts shall not be reduced whether or not Executive obtains other employment after termination of his employment hereunder.

6.4 SEVERABILITY. The invalidity or unenforceability of any particular provision or part of any provision of this Agreement shall not affect the other provisions or parts hereof.

6.5 ASSIGNMENT; BENEFIT. This Agreement shall not be assignable by Executive, and shall be assignable by Company and Castlewood (US) only with Executive's consent and only to any person or entity which may become a successor in interest (by purchase of assets or stock, or by merger, or otherwise) to Company or Castlewood (US) in the business or substantially all of the business presently operated by it. Any Change in Control is deemed an assignment. Subject to the foregoing, this Agreement and the rights and obligations set forth herein shall inure to the benefit of, and be binding upon, the parties hereto and each of their respective permitted successors, assigns, heirs, executors and administrators.

6.6 NOTICES. All notices hereunder shall be in writing and shall be sufficiently given if hand-delivered, sent by documented overnight delivery service or registered or certified mail, postage prepaid, return receipt requested or by facsimile, receipt acknowledged, addressed as set forth below or to such other person and/or at such other address as may be furnished in writing

by any party hereto to the other. Any such notice shall be deemed to have been given as of the date received, in the case of personal delivery, or on the date shown on the receipt or confirmation therefor, in all other cases. Any and all service of process and any other notice in any action, suit or proceeding shall be effective against any party if given as provided in this Agreement; provided that

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nothing herein shall be deemed to affect the right of any party to serve process in any other manner permitted by law.

(a) If to Company:

Castlewood Holdings Limited  
P.O. Box HM 2267  
Windsor Place, 3rd Floor  
18 Queen Street  
Hamilton, HM JX  
Bermuda

Attention: Paul O'Shea

(b) If to Castlewood (US):

Castlewood (US) Inc.  
7901 4th Street North  
Suite 203  
St. Petersburg, FL 33702

Attention: Karl Wall

with a copy to:

Castlewood Holdings Limited  
P.O. Box HM 2267  
Windsor Place, 3rd Floor  
18 Queen Street  
Hamilton, HM JX  
Bermuda

Attention: Paul O'Shea

(b) If to Executive:

John J. Oros  
c/o J.C. Flowers & Co. LLC  
717 Fifth Avenue, 26th Floor  
New York, NY 10022

Facsimile No.: (201)444-6897

#### 6.7 ENTIRE AGREEMENT; MODIFICATION; ADVICE OF COUNSEL.

(a) This Agreement constitutes the entire agreement between the parties hereto with respect to the matters contemplated herein and supersedes all prior

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agreements and understandings with respect thereto. No addendum, amendment, modification, or waiver of this Agreement shall be effective unless in writing. Neither the failure nor any delay on the part of any party to exercise any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy preclude any other or further exercise of the same or of any other right or remedy with respect to such occurrence or with respect to any other occurrence.

(b) Executive acknowledges that he has been afforded an opportunity to consult with his counsel with respect to this Agreement.

(c) Company, Castlewood (US) and Executive recognize that certain amounts that may become payable under this Agreement are or may be subject to Section 409A, that final guidance under Section 409A has not been issued but is anticipated in the near future, and that failure to comply with Section 409A may result in adverse tax consequences to Executive. Therefore, Company, Castlewood (US) and Executive shall use their best efforts to amend this Agreement following the issuance of such final guidance to the extent necessary with respect to amounts that may become payable hereunder either to provide for the exemption of such amounts from the requirements of Section 409A or to comply with the requirements of Section 409A.

6.8 GOVERNING LAW. This Agreement is made pursuant to, and shall be construed and enforced in accordance with, the laws of Delaware, to the extent applicable, without giving effect to otherwise applicable principles of conflicts of law.

6.9 HEADINGS; COUNTERPARTS. The headings of paragraphs in this Agreement are for convenience only and shall not affect its interpretation. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original and all of which, when taken together, shall be deemed to constitute the same Agreement.

6.10 FURTHER ASSURANCES. Each of the parties hereto shall execute such further instruments and take such additional actions as the other party shall reasonably request in order to effectuate the purposes of this Agreement.

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IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

CASTLEWOOD HOLDINGS LIMITED

By: /s/ Richard J. Harris

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Name: Richard J. Harris  
Title: Chief Financial Officer

CASTLEWOOD (US) INC.

By: /s/ Karl Wall

-----  
Name: Karl Wall  
Title: President

/s/ John J. Oros

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John J. Oros

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EXHIBIT A

RESTRICTIVE COVENANTS

A. Noncompetition. During the Term and, if Executive fails to remain employed through the fifth anniversary of the Closing Date, for a period of eighteen (18) months after Executive's employment terminates (the "Restriction Period"), Executive shall not, without the prior written permission of the Board of Company, directly or indirectly engage in any Competitive Activity. The term "Competitive Activity" shall include (i) entering the employ of, or rendering services to, any person, firm or corporation

engaged in the insurance and reinsurance run-off or any other business in which Company or any of its affiliates has been engaged at any time during the last twelve months of the Term and to which Executive has rendered services or about which Executive has acquired Confidential Information or by which Executive has been engaged at any time during the last twelve months of his period of employment hereunder and in each case in any jurisdiction in which Company or any of its affiliates has conducted substantial business (hereinafter defined as the "Business"); (ii) engaging in the Business for Executive's own account or (becoming interested in any such Business, directly or indirectly, as an individual, partner, shareholder, member, director, officer, principal, agent, employee, trustee, consultant, or in any other similar capacity; provided, however, nothing in this Paragraph A shall prohibit Executive from owning, solely as a passive investment, 5% or less of the total outstanding securities of a publicly-held company, or any interest held by Executive in a privately-held company as of the date of this Agreement; provided further that the provisions of this Paragraph A shall not apply in the event Executive's employment with Company is terminated without Cause or with Good Reason.

- B. Confidentiality. Without the prior written consent of Company, except to the extent required by an order of a court having competent jurisdiction or under subpoena from an appropriate regulatory authority, Executive shall not disclose and shall use his best endeavours to prevent the disclosure of any trade secrets, customer lists, market data, marketing plans, sales plans, management organization information (including data and other information relating to members of the Board and management), operating policies or manuals, business plans or financial records, or other financial, commercial, business or technical information relating to Company or any of its subsidiaries or affiliates or information designated as confidential or proprietary that Company or any of its subsidiaries or affiliates may receive belonging to clients or others who do business with Company or any of its subsidiaries or affiliates (collectively, "Confidential Information") to any third person unless such Confidential Information has been previously disclosed to the public by Company or any of its subsidiaries or affiliates or is in the public domain (other than by reason of Executive's breach of this Paragraph B). In the event that Executive is required to

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disclose Confidential Information in a legal proceeding, Executive shall provide Company with notice of such request as soon as reasonably practicable, so that Company may timely seek an appropriate protective order or waive compliance with this Paragraph B, except if such notice would be unlawful or would place Executive in breach of an undertaking he is required to give by law or regulation.

- C. Non-Solicitation of Employees. During the Restriction Period, Executive shall not, without the prior written permission of the Board of Company, directly or indirectly induce any Senior Employee of Company or any of its affiliates to terminate employment with such entity, and shall not directly or indirectly, either individually or as owner, agent, employee, consultant or otherwise, offer employment to or employ any Senior Employee unless such person shall have ceased to be employed by Company or any affiliate for a period of at least six (6) months. For the purpose of this Paragraph C, "Senior Employee" shall mean a person who, at any time during the last twelve months of Executive's period of employment hereunder:

(i) is engaged or employed (other than in a clerical, secretarial or administrative capacity) as an employee, director or consultant of Company or its affiliates; and

(ii) is or was engaged in a capacity in which he obtained Confidential Information; and

(iii) had personal dealings with Executive.

- D. Non-Disparagement. Executive shall not do or say anything adverse or harmful to, or otherwise disparaging of, Company or its subsidiaries and their respective goodwill. Company shall not, and shall use reasonable efforts to ensure that its officers, directors, employees and subsidiaries do not do or say anything adverse or harmful to, or otherwise disparaging of, Executive and his goodwill; provided that no action by either party in connection with the enforcement of its rights hereunder shall be construed

as a violation of this Paragraph D.

- E. Definition. In this Exhibit A, "directly or indirectly" (without prejudice to the generality of the expression) means whether as principal or agent (either alone or jointly or in partnership with any other person, firm or company) or as a shareholder, member or holder of loan capital in any other company or being concerned or interested in any other person, firm or company and whether as a director, partner, consultant, employee or otherwise.
  
- F. Severability. Each of the provisions contained in this Exhibit A is and shall be construed as separate and severable and if one or more of such provisions is held to be against the public interest or unlawful or in any way an unreasonable restraint of trade or unenforceable in whole or in part for any reason, the

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remaining provisions of this Exhibit A or part thereof, as appropriate, shall continue to be in full force and effect.

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## Press Release

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Date: January 31, 2007  
Contacts: Enstar: Amy Dunaway  
Telephone: (334) 834-5483  
For Release: Immediately

Castlewood: Richard Harris  
(441) 292-3645

### **THE ENSTAR GROUP, INC. AND CASTLEWOOD ANNOUNCE COMPLETION OF MERGER**

Montgomery, Alabama and Hamilton, Bermuda — January 31, 2007 — The Enstar Group, Inc. (“Enstar”) (Nasdaq:ESGR) and Enstar Group Limited, formerly known as Castlewood Holdings Limited (“Limited”), today announced that CWMS Subsidiary Corp., a wholly-owned subsidiary of Limited, has merged with and into Enstar and, as a result of the merger, Enstar, which has changed its name to Enstar USA, Inc., is now a direct wholly-owned subsidiary of Limited.

Effective as of the close of trading today, trading in Enstar’s common stock has ceased and certificates for shares of Enstar common stock now represent the same number of Limited ordinary shares. Commencing tomorrow, the ordinary shares of Limited will trade on the NASDAQ Global Select Market under the ticker symbol “ESGRD” for a period of approximately 20 trading days and, thereafter, will trade under the ticker symbol “ESGR.”

Before the closing of the merger, Limited completed a recapitalization, pursuant to which Limited: (1) exchanged all of its outstanding shares for ordinary shares of Limited, (2) designated the initial Board of Directors of Limited immediately following the Merger; (3) repurchased certain shares of Limited held by Trident II, L.P. (“Trident”) and certain of its affiliates; (4) made payments totaling \$5,076,000 to certain of Limited’s executive officers and employees; and (5) purchased, through its wholly-owned subsidiary, Castlewood Limited, the shares of B.H. Acquisition Ltd., a Bermuda company, held by an affiliate of Trident.

\* \* \*

*This press release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include statements regarding the intent, belief or current expectations of Enstar, Limited and their respective management teams. Prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those projected in the forward-looking statements as a result of various factors. Important risk factors regarding Enstar and Limited are set forth in Item 1A. “Risk Factors” to Enstar’s Form 10-K/A for the year ended December 31, 2005 and under the heading “Risk Factors” in the registration statement on Form S-4 filed by Limited with the SEC.*

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*Those risk factors are hereby incorporated herein by reference. Furthermore, neither Enstar nor Limited undertakes any obligation to update any written or oral forward-looking statements or publicly announce any updates or revisions to any of the forward-looking statements contained herein, to reflect any change in their expectations with regard thereto or any change in events, conditions, circumstances or assumptions underlying such statements, except as required by law.*

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