

Enstar Group LTD
Form 8-K
June 17, 2016
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): June 13, 2016

Enstar Group Limited
(Exact name of registrant as specified in its charter)

Bermuda 001-33289 N/A
(State or other jurisdiction (Commission (IRS Employer
of incorporation) File Number) Identification No.)

P.O. Box HM 2267, Windsor Place, 3rd Floor N/A
22 Queen Street, Hamilton HM JX Bermuda (Zip Code)
(Address of principal executive offices) (Zip Code)
Registrant's telephone number, including area code: (441) 292-3645

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 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

2016 Equity Incentive Plan

On June 14, 2016, Enstar Group Limited (the "Company") held its 2016 Annual General Meeting (the "Annual Meeting"). At the Annual Meeting the shareholders voted on five proposals and cast their votes as described in the items below. Included in the proposals voted upon at the Annual Meeting was the approval of the Enstar Group Limited 2016 Equity Incentive Plan (the "Equity Incentive Plan"), which was approved by shareholders and is described in Item 5.07 below. The Equity Incentive Plan had been adopted by the Company's Board of Directors (the "Board") on February 23, 2016, subject to approval by shareholders, and became effective at the conclusion of the Annual Meeting.

The Equity Incentive Plan is designed to provide stock-based awards to employees, non-employee directors, and consultants of the Company and enables us to retain and attract qualified employees, consultants, and non-employee directors by providing additional incentives through increased share ownership. The Equity Incentive Plan replaces the expiring 2006 Equity Incentive Plan (the "2006 Plan"). Any outstanding awards granted under the 2006 Plan will remain in effect pursuant to their terms.

A description of the material terms of the Equity Incentive Plan is set forth in the Company's definitive proxy statement for the Annual Meeting, which was filed with the Securities and Exchange Commission on Schedule 14A on April 29, 2016 (the "Proxy Statement"), in the section entitled "Proposal 4 — Approval of The Enstar Group Limited 2016 Equity Incentive Plan." The descriptions of the Equity Incentive Plan contained herein and in the Proxy Statement are qualified by reference to the full text of the Equity Incentive Plan, which is filed as Exhibit 10.1 to this Current Report on Form 8-K.

Appointment of Principal Accounting Officer

On June 14, 2016, the Board appointed Guy Bowker, Chief Accounting Officer, as the Principal Accounting Officer of the Company. Mr. Bowker is 38 years old and has served as the Company's Chief Accounting Officer since joining the Company on September 8, 2015. Mark Smith, Chief Financial Officer, previously served as both the Company's Principal Accounting Officer and the Principal Financial Officer; he will continue to serve as Principal Financial Officer.

From 2010 to 2015, Mr. Bowker held the role of Senior Vice President - Controller of Platinum Underwriters Holdings, Ltd. From 2007 to 2010 he was the Director of Finance for American International Group in Bermuda. He is an alumni of Deloitte's insurance practice and a member of Chartered Professional Accountants Bermuda and Chartered Accountants Australia and New Zealand. He is also a Chartered Insurer and Fellow of the Chartered Insurance Institute in the United Kingdom.

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

On June 13, 2016, a duly authorized committee of the Board approved the creation of a new series of preferred shares of the Company designated as Series C Participating Non-Voting Perpetual Preferred Stock ("Series C Preferred Shares"). All of the authorized Series C Preferred Shares were issued to wholly-owned subsidiaries of the Company in an internal reorganization transaction that resulted in the cancellation of all of the Series A Non-Voting Convertible Ordinary Shares of the Company ("Series A Non-Voting Shares"), which had an equivalent value and were also previously held by a wholly-owned subsidiary of the Company.

The internal reorganization had no impact on the Company's outstanding share capital as, before the reorganization, all of the issued Series A Non-Voting Shares were owned by a wholly-owned subsidiary of the Company and, after the reorganization, all of the issued Series C Preferred Shares were owned by the same wholly-owned subsidiary of the Company.

Set forth below are the material terms of the Series C Preferred Shares:

Ranking. Except as described below, the Series C Preferred Shares, with respect to dividend rights and rights on liquidation, winding up and dissolution, rank on parity with the Company's ordinary voting

and non-voting shares, and rank senior to each other class or series of share capital of the Company, unless the terms of any such class or series shall expressly provide otherwise.

Dividends. Dividends will be paid on the Series C Preferred Shares when, as and if declared on the Company's ordinary voting and non-voting shares in an amount equal to the dividend paid on the Company's ordinary voting and non-voting shares, multiplied by the applicable participation rate. The participation rate is initially set at ten (10), which is generally reflective of the reduction in the number of Series C Preferred Shares issued in exchange for the previously outstanding Series A Non-Voting Shares. The participation rate is subject to adjustment or limitation, including in the event of a share subdivision, split or combination of the Company's ordinary voting and non-voting shares. Notwithstanding the foregoing, the Series C Preferred Shares are not entitled to receive any dividends or distributions that are attributable to distributions from, or proceeds from the disposition, in whole or in part, of certain excluded entities in which the Company owns an equity interest (the "Excluded Entities"), and the amount of any distribution that would otherwise be made to the holders of the Series C Preferred Shares will be reduced by any portion of such amount that is attributable to distributions from, or proceeds from the disposition, in whole or in part, of an Excluded Entity.

Liquidation Preference. Upon liquidation, dissolution or winding up of the Company, holders of Series C Preferred Shares shall be entitled: (i) to a preference of an amount equal to \$0.001 per share with respect to the surplus assets of the Company; and (ii) thereafter to participate with the Company's voting and non-voting ordinary shares in the distribution of remaining assets. Following the payment of the preference amount, each Series C Preferred Share would be entitled to receive the same amount that is to be distributed with respect to one ordinary voting or non-voting share of the Company, multiplied by the applicable participation rate described above. Notwithstanding the foregoing, the Series C Preferred Shares are not entitled to any surplus assets of the Company attributable to an Excluded Entity, and the amount of any distribution of any surplus assets that would otherwise be made to the holders of the Series C Preferred Shares will be reduced by any portion of such amount that is attributable to an Excluded Entity.

Voting. The Series C Preferred Shares have no voting rights, except that, the Company may not, without the consent of the holders of a majority of the outstanding shares of the Series C Preferred Shares, voting as a separate class, (i) amend, alter or repeal or otherwise change any provision of the Certificate of Designations for the Series C Preferred Shares or the Company's memorandum of association or bye-laws so as to significantly and adversely affect the rights, preferences, privileges or limited voting rights of the Series C Preferred Shares, (ii) consummate a binding share exchange or reclassification involving the Series C Preferred Shares, or a merger or consolidation of the Company (except for any merger or consolidation in which the consideration paid to shareholders is entirely in cash), unless the Series C Preferred Shares remain outstanding or are converted or exchanged for a security in the surviving entity with rights, preferences and privileges which are not materially less favorable and (iii) voluntarily liquidate, dissolve or wind up the Company.

The foregoing summary of terms is subject to, and qualified in its entirety by, the Certificate of Designations of the Series C Preferred Shares, which is attached to this Current Report on Form 8-K as Exhibit 3.1 and is incorporated herein by reference.

Item 5.07. Submission of Matters to a Vote of Security Holders.

(a) As noted above, the Company held its Annual Meeting on June 14, 2016.

(b) At the Annual Meeting, the shareholders voted on the following five proposals and cast their votes as described below.

1. Proposal No. 1: Election of Class I Directors. The individuals listed below were elected to serve a term expiring at the annual general meeting of shareholders in 2019. There were a total of 1,226,340 broker non-votes with respect to each nominee.

Director	For	Against	Abstain
Robert J. Campbell	13,152,860	194,587	2,439
Paul J. O'Shea	13,292,480	54,987	2,419
Sumit Rajpal	13,169,295	177,848	2,743

2. Proposal No. 2: Advisory vote to approve executive compensation. This proposal was approved. There were a total of 1,226,340 broker non-votes on this proposal.

For	Against	Abstain
12,273,325	1,069,812	6,749

3. Proposal No. 3: Ratification of the selection of KPMG Audit Limited to act as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2016 and authorization of the Board of Directors, acting through the Audit Committee, to approve the fees for the independent registered public accounting firm. This proposal was approved. There were no broker non-votes on this proposal.

For	Against	Abstain
14,544,929	18,229	13,068

4. Proposal No. 4: Vote to approve the Enstar Group Limited 2016 Equity Incentive Plan. This proposal was approved. There were a total of 1,226,340 broker non-votes on this proposal.

For	Against	Abstain
13,230,414	100,527	18,945

5. Proposal No. 5: Election of subsidiary directors identified in Proposal No. 5 of the Company's Proxy Statement. All of the individual subsidiary director nominees listed below received the same total number of votes; these vote totals are provided in the table that follows. The Company's Board of Directors will cause its corporate representative or proxy to vote the shares it holds in its subsidiaries in the same proportion as the votes received at this Annual Meeting. There were a total of 1,226,340 broker non-votes on this proposal.

For	Against	Abstain
13,337,533	4,811	7,542

Subsidiary Director Nominees:

5.1 AG Australia Holdings Limited

Nominees:

Nicholas Packer

Mark Smith

Sandra O'Sullivan

Nicholas Hall

5.2 Aligned Re Holdings Ltd.

Nominees:

Paul O'Shea

David Roche

Duncan Scott

Elizabeth DaSilva

Nicholas Packer

5.3 Aligned Re Ltd.

Nominees:

Paul O'Shea

David Roche

Duncan Scott

Elizabeth DaSilva

Nicholas Packer

5.4 Alopuc Limited

Nominees:

Derek Reid

C. Paul Thomas

Alan Turner

5.5 Alpha Insurance SA

Nominees:

Serge Wibaut

Marie-Claire Pletinckx

Alan Turner

C. Paul Thomas

Kieran Hayes

Rutger Janssens

Kim Torbeyns

Marc Gilis

5.6 Arden Reinsurance Company Ltd.

Nominees:

Paul O'Shea

Nicholas Packer

Mark Smith

David Roche

Duncan Scott

Guy Bowker

5.7 Arena SA

Nominees:

Timothy Fillingham

Richard Etridge

Marc Gilis

Eddy VanderBosch

5.8 Atrium Risk Management Services (British Columbia) Ltd.

Nominees:

Richard Harries

James Lee

Brendan Merriman

Lee Greenway

Peter Hargrave

5.9 Atrium Risk Management Services (Washington) Limited

Nominees:

Richard Harries

James Lee

Brendan Merriman

Lee Greenway

Peter Hargrave

5.10 B.H. Acquisition Limited

Nominees:

Paul O'Shea

Mark Smith

David Roche

Guy Bowker

5.11 Bantry Holdings Ltd.

Nominees:

David Roche

Duncan Scott

Guy Bowker

5.12 Blackrock Holdings Ltd.

Nominees:

David Roche

Duncan Scott

Guy Bowker

5.13 Bosworth Run-off Limited

Nominees:

Ruth McDiarmid

C. Paul Thomas

Alan Turner

5.14 Brampton Insurance Company Limited

Nominees:

Patrick Cogavin

Max Lewis

C. Paul Thomas

Alan Turner

Steven Western

5.15 Brittany Insurance Company Ltd.

Nominees:

Paul O'Shea

Mark Smith

David Roche

Duncan Scott

Guy Bowker

5.16 Castlewood Limited

Nominees:

Guy Bowker

Duncan Scott

Elizabeth DaSilva

5.17 Cavell Holdings Limited

Nominees:

Derek Reid

C. Paul Thomas

Alan Turner

5.18 Cavello Bay Holdings Limited

Nominees:

Paul O'Shea

Mark Smith

David Roche

Duncan Scott

Guy Bowker

5.19 Cavello Bay Reinsurance Limited

Nominees:

Paul O'Shea

Mark Smith

David Roche

Duncan Scott

Guy Bowker

5.20 Chatsworth Limited

Nominees:

Guy Bowker

Mark Smith

David Roche

Elizabeth DaSilva

Orla Gregory

5.21 Clarendon National Insurance Company

Nominees:

Paul Brockman

John Dore

Anna Hajek

Jennifer Miu

Thomas Nichols

Robert Redpath

Michael Sheehan

Richard Seelinger

Cindy Traczyk

5.22 Comox Holdings Ltd.

Nominees:

Elizabeth DaSilva

David Roche

Guy Bowker

Duncan Scott

5.23 Copper Coast Funds ICAV

Nominees:

Orla Gregory

Barry McConville

Patrick O'Sullivan

Kieran Hayes

Roger Thompson

5.24 Courtenay Holdings Ltd

Nominees:

Mark Smith

Guy Bowker

David Roche

5.25 Cranmore (Asia) Limited

Nominees:

Duncan Scott

Guy Bowker

Elizabeth DaSilva

David Roche

5.26 Cranmore (Asia) Pte Limited

Nominees:

Goh Mei Xuan Michelle

Sandra O'Sullivan

Steve Norrington

5.27 Cranmore (Bermuda) Limited

Nominees:

Guy Bowker

Duncan Scott

David Rocke

Elizabeth DaSilva

5

5.28 Cranmore (UK) Limited

Nominees:

Desmond Allen

Philip Cooper

David Ellis

Adam Grange

Shaun Holden

Steven Norrington

C. Paul Thomas

Alan Turner

5.29 Cranmore (US) Inc.

Nominees:

Paul Brockman

Thomas Nichols

Steve Norrington

5.30 Cranmore Australia Pty Limited

Nominees:

Steve Norrington

Sandra O'Sullivan

Nicholas Hall

5.31 Cranmore Insurance and Reinsurance Management Services Europe Ltd

Nominees:

Kieran Hayes

Jason Shortt

David Ellis

Steve Norrington

5.32 Cumberland Holdings Ltd.

Nominees:

Guy Bowker

Mark Smith

David Roche

Paul O'Shea

5.33 DLCM NO. 1

Nominees:

Derek Reid

C. Paul Thomas

Alan Turner

5.34 DLCM NO. 2

Nominees:

Derek Reid

C. Paul Thomas

Alan Turner

5.35 DLCM NO. 3

Nominees:

Derek Reid

C. Paul Thomas

Alan Turner

5.36 East Point Reinsurance Company of Hong Kong Limited

Nominees:

Sandra O'Sullivan

David Roche

Orla Gregory

5.37 Eastshore Holdings Ltd.

Nominees:

Guy Bowker

Duncan Scott

David Roche

Elizabeth DaSilva

5.38 Electricity Producers Insurance Company (Bermuda) Limited

Nominees:

Paul O'Shea

Mark Smith

David Roche

Duncan Scott

Guy Bowker

5.39 Enstar (EU) Finance Limited

Nominees:

Shaun Holden

C. Paul Thomas

Alan Turner

Derek Reid

5.40 Enstar (EU) Holdings Limited

Nominees:

David Grisley

David Hackett

Shaun Holden

C. Paul Thomas

Alan Turner

5.41 Enstar (EU) Limited

Nominees:

David Atkins

David Hackett

Shaun Holden

Michael Lynagh
Derek Reid
C. Paul Thomas
Alan Turner

6

5.42 Enstar (EU) Services Asia Limited

Nominees:

Derek Reid
C. Paul Thomas
Alan Turner

5.43 Enstar (US) Inc.

Nominees:

Paul Brockman
Thomas Nichols
Robert Redpath

5.44 Enstar Acquisitions Limited

Nominees:

Derek Reid
C. Paul Thomas
Alan Turner

5.45 Enstar Australia Holdings Pty Limited

Nominees:

Nicholas Packer
Mark Smith
Gary Potts
Jann Skinner
Bruce Bollom

5.46 Enstar Australia Limited

Nominees:

Nicholas Packer
Mark Smith
Sandra O'Sullivan
Nicholas Hall

5.47 Enstar Brokers Limited

Nominees:

Guy Bowker
Elizabeth DaSilva
David Rocke

5.48 Enstar Financial Services, Inc.

Nominees:

Cheryl Davis
Thomas Nichols

5.49 Enstar Financing Ltd.

Nominees:

Mark Smith
Guy Bowker
Duncan Scott
Elizabeth DaSilva

5.50 Enstar Group Operations, Inc.

Nominees:

Cheryl Davis

Thomas Nichols

5.51 Enstar Holdings (US) Inc.

Nominees:

Paul Brockman

Norman Brown

Thomas Nichols

Steve Norrington

Anthony Sciarra

5.52 Enstar Insurance Management Services Ireland Limited

Nominees:

Kieran Hayes

Orla Gregory

Roger Thompson

5.53 Enstar Investment Management Ltd.

Nominees:

Guy Bowker

Lothar Crofton

Roger Thompson

Orla Gregory

5.54 Enstar Life (US), Inc.

Nominees:

Kieran Hayes

5.55 Enstar Limited

Nominees:

Paul O'Shea

Mark Smith

Elizabeth DaSilva

David Roche

Orla Gregory

Guy Bowker

5.56 Enstar New York, Inc.

Nominees:

Paul Brockman

Cheryl Davis

Thomas Nichols

5.57 Enstar USA, Inc.

Nominees:
Cheryl Davis
Thomas Nichols

7

5.58 Fitzwilliam Insurance Limited

Nominees:

Paul O'Shea
Mark Smith
David Roche
Nicholas Packer
Guy Bowker
Duncan Scott

5.59 Flatts Limited

Nominees:

Derek Reid
C. Paul Thomas
Alan Turner

5.60 Gordian Runoff Limited

Nominees:

Nicholas Packer
Mark Smith
Gary Potts
Jann Skinner
Bruce Bollom

5.61 Goshawk Dedicated Limited

Nominees:

Derek Reid
C. Paul Thomas
Alan Turner

5.62 Goshawk Holdings (Bermuda) Limited

Nominees:

Guy Bowker
Duncan Scott
Orla Gregory
David Roche

5.63 Goshawk Insurance Holdings Limited

Nominees:

Derek Reid
C. Paul Thomas
Alan Turner

5.64 Guillamene Holdings Limited

Nominees:

Kieran Hayes
Orla Gregory
Keith Haynes

5.65 Harper Holding SARL

Nominees:

John Cassin
Nicholas Packer

5.66 Harper Insurance Limited

Nominees:

Michael Handler
Andreas Iselin
Florian Von Meiss
Nick Packer
Stefan Wehrenberg
Mark Smith

5.67 Hillcot Holdings Ltd.

Nominees:

Guy Bowker
Elizabeth DaSilva
David Roche
Duncan Scott

5.68 Hong Kong Reinsurance Company Limited

Nominees:

Sanba O'Sullivan
David Roche
Orla Gregory

5.69 Hove Holdings Limited

Nominees:

Guy Bowker
Duncan Scott
Elizabeth DaSilva
David Roche

5.70 Inter-Ocean Holdings Ltd

Nominees:

Guy Bowker
Duncan Scott
Orla Gregory

5.71 Inter-Ocean Reinsurance (Ireland) Limited

Nominees:

Orla Gregory
Kevin O'Connor

5.72 Inter-Ocean Reinsurance Company Ltd

Nominees:

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