

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

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

---

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**To Be Held Wednesday December 15, 2010**

---

Dear Shareholders:

We are pleased to invite you to our 2010 Annual General Meeting of Shareholders, which we refer to as the "Annual Meeting". We will hold the Annual Meeting at the Newstead-Belmont Hills, 27 Harbour Road, Paget PG 01, Bermuda, on Wednesday December 15, 2010, at 3:00 p.m. local time. The purpose of the Annual Meeting is:

1. To elect the directors of RAM Holdings Ltd., which we refer to as "RAM Holdings," to serve until RAM Holdings' 2011 annual general meeting.
2. To appoint Deloitte & Touche Ltd., Hamilton, Bermuda, as RAM Holdings' independent auditor for the financial year ending December 31, 2010, and to authorize the directors of RAM Holdings, acting by the Audit Committee, to determine the independent auditor's fee.
3. To direct RAM Holdings to act on various matters concerning our subsidiary, RAM Reinsurance Company Ltd. ("RAM Re").

Enclosed is our Proxy Statement, which explains the matters to be acted upon at the Annual Meeting, and our 2009 Annual Report, which includes our financial statements and schedules for the year ended December 31, 2009. The audited consolidated financial statements for RAM Holdings for the year ended December 31, 2009 and accompanying auditor's report will be presented at the Annual Meeting.

You may vote at the Annual Meeting if you were a shareholder of record, as shown by the register of members of RAM Holdings, at the close of business on November 3, 2010.

By order of the board of directors,



David K. Steel  
*Director, President and Chief Executive Officer*

November 19, 2010  
Hamilton, Bermuda



**PROXY STATEMENT  
TABLE OF CONTENTS**

	<b>Page</b>
Information About Our Annual General Meeting of Shareholders .....	1
Information About Directors, Corporate Governance and Director Compensation .....	4
Information About Our Executives and Executive Compensation .....	13
Information About the Owners of Our Common Shares .....	14
Proposals Recommended by the Board of Directors .....	15
Additional Information .....	18

[This page intentionally left blank.]

**RAM HOLDINGS LTD.**  
**(a Bermuda company)**  
**RAM Re House, 46 Reid Street, Hamilton HM 12, Bermuda**

---

**PROXY STATEMENT**

---

**INFORMATION ABOUT OUR ANNUAL GENERAL MEETING OF SHAREHOLDERS**

We are sending you this Proxy Statement because our board of directors is soliciting your proxy to vote at the 2010 Annual General Meeting of shareholders of RAM Holdings Ltd., which we refer to as our "Annual Meeting".

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

We will hold the Annual Meeting at the Newstead-Belmont Hills, 27 Harbour Road, Paget PG 01, Bermuda, on Wednesday December 15, 2010, at 3:00 p.m. local time.

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

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

1. To elect the directors of RAM Holdings Ltd., which we refer to as RAM Holdings, to serve until RAM Holdings' 2011 annual general meeting.
2. To appoint Deloitte & Touche Ltd., Hamilton, Bermuda, as RAM Holdings' independent auditor for the financial year ending December 31, 2010, and to authorize the directors of RAM Holdings, acting by the Audit Committee, to determine the independent auditor's fee.
3. To direct RAM Holdings to act on various matters concerning our subsidiary, RAM Re.

**RAM Holdings 2009 Annual Report**

We have enclosed our 2009 Annual Report with this Proxy Statement. The 2009 Annual Report is included for informational purposes and not as a means of soliciting your proxy. **Additional copies of the 2009 Annual Report and financial statements and schedules for the year ended December 31, 2009, may be obtained, without charge, by writing to the Secretary of RAM Holdings, RAM Re House, 46 Reid Street, HM 12, Bermuda. The audited consolidated financial statements for RAM Holdings for the year ended December 31, 2009 and accompanying auditor's report will be presented at the Annual Meeting.**

**Mail Date**

This Proxy Statement, and the accompanying Notice of Annual General Meeting of Shareholders and Proxy, are first being mailed to shareholders on or about November 24, 2010.

**Our Voting Securities**

The record date for our Annual Meeting is November 3, 2010. If you owned RAM Holdings common shares at the close of business on November 3, 2010, you may vote at the Annual Meeting. On the record date, 26,404,564 of our common shares (net of treasury shares held by RAM Holdings) were issued and outstanding. The common shares are our only class of equity securities issued and outstanding and entitled to vote at the Annual Meeting.

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

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

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

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

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

At our 2009 annual general meeting of shareholders, shareholders approved certain amendments to our Bye-Laws that provided for certain rights specific to The PMI Group, Inc., PMI Mortgage Insurance Co. or any successor entity (collectively, "PMI"). In December 2009, PMI Mortgage Insurance Co. and another shareholder, High Ridge Capital Partners Limited Partnership, sold all of their respective RAM Holdings common shares to Calliope Investments Ltd., an unrelated entity affiliated with one of our directors (the "PMI Purchaser"). As a result of these and certain subsequent purchases, the PMI Purchaser owns approximately 38% of our common shares (net of treasury shares held by RAM Holdings) and has assumed the rights specific to PMI under our Bye-Laws.

Our Bye-Laws have voting limitation provisions that are applicable only to the PMI Purchaser (or any person whose only controlled shares are the controlled shares owned by the PMI Purchaser). These provisions apply if the PMI Purchaser (or any such person) is a U.S. person and if at any time the controlled shares of the PMI Purchaser (or such person) constitute (i) more than 9.9% of the voting power controlled by our shares and (ii) 24.5% or more of either the voting power or value of our shares. These voting limitations are not currently applicable with respect to the common shares owned by the PMI Purchaser.

### ***Cumulative Voting***

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

## **Quorum Requirement**

The presence of two persons, representing in person or by proxy shares carrying more than 50% of the voting power of our issued and outstanding common shares as of November 3, 2010, the record date of the Annual Meeting, is necessary to constitute a quorum at the Annual Meeting. Assuming that a quorum is present, the affirmative vote of the holders of a simple majority of the common shares voted at the Annual Meeting in person or by proxy will be required to approve each of the matters to be voted upon at the Annual Meeting.

## **Voting Methods**

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

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

## **Revocation of Proxy**

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

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

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

## **Voting in Person**

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

## **Abstentions**

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

If you are a registered shareholder and you do not vote, your shares will not be represented at the Annual Meeting and will not affect the outcome of our proposals. If you are a registered shareholder and return a blank but

signed proxy card, your shares will be voted in the manner recommended by our board of directors, which is FOR Proposals 1 – 3. This will generally also be the case for beneficial shareholders, as explained in more detail below.

### **Broker non-votes**

If you are a beneficial shareholder and you do not give voting instructions to your broker, your broker may have discretionary authority to vote your shares for you on certain proposals that are considered routine matters. Brokers who have discretionary authority generally vote in the manner recommended by our board of directors, which would be FOR Proposals 1 – 3 in this case. When a broker votes a client's shares on some but not all of the proposals, the missing votes are called broker non-votes. If broker non-votes occur at the Annual Meeting, the shares in this category will count toward the establishment of a quorum, but the broker non-votes will have no effect on the outcome of those proposals on which the broker does not or cannot vote.

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

This proxy statement and our annual report for 2009 are available at [www.ramre.com](http://www.ramre.com) by first clicking "Investor Information" and then "Annual Reports and Proxy Statements".

## **INFORMATION ABOUT DIRECTORS, CORPORATE GOVERNANCE AND DIRECTOR COMPENSATION**

### **Corporate Governance Guidelines**

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

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

There are currently five directors on the board of each of RAM Holdings and RAM Re. The total number of directors who serve on each board at any given time is currently set at five, but this number may increase up to a maximum of 11 board members subject to the following exception: pursuant to Bye-Law 39.5 of RAM Re and the certificate of designation, preferences and rights of the Class B preference shares of RAM Re (the "Class B preference shares"), which sets forth the terms of the Class B preference shares, the size of the board of RAM Re may automatically be expanded by two members (subject to the consent of RAM Re's shareholders) upon a failure by RAM Re to pay dividends to holders of RAM Re's Class B preference shares for a period in excess of eighteen consecutive months. RAM Re currently has 432.01 Class B preference shares outstanding. As previously announced, after the June 15, 2009, dividend on the Class B preference shares was declared, RAM Re suspended subsequent dividends on the Class B preference shares. See Proposal 3 in relation to the proposed resolution to deem two of the vacancies on the board of directors of RAM Re as vacancies available for the appointment of two directors by the holders of Class B preference shares in connection with RAM Re's Class B preference shareholders' right to appoint two directors to the board of directors of RAM Re pursuant to Bye-Law 39.5 of RAM Re and the certificate of designation, preferences and rights of the Class B preference shares.

It is proposed that the following five directors be appointed by the shareholders as contemplated by Proposal 1 and Proposal 3: (i) Edward F. Bader; (ii) David L. Boyle; (iii) Clement S. Dwyer, Jr.; (iv) David K. Steel and (v) Steven J. Tynan.

### **Director Biographies**

Set forth below is biographical information concerning each current director and director nominee of RAM Holdings and RAM Re, who may be appointed at the Annual Meeting including each such individual's principal



occupation and the period during which such person has served as a director of RAM Holdings and RAM Re, if applicable. Information about share ownership of certain directors and executive officers as of December 31, 2009 can be found under "Directors and Executive Officers Information—Security Ownership of Executive Officers and Directors" of our 2009 Annual Report delivered herewith.

**Edward F. Bader**  
Age 69  
Director since 2004

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

**David L. Boyle**  
Age 63  
Director since 2005

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

**Clement S. Dwyer, Jr.**  
Age 62  
Director since 2010

Mr. Dwyer is President of URSA Advisors, Inc. of Portsmouth, New Hampshire, a provider of insurance, reinsurance and capital raising advisory services. Previously he served as President of Signet Star Holdings, Inc., a reinsurance subsidiary of W.R. Berkeley Corp in 1996. From 1970 until 1996 he held various positions at Guy Carpenter & Company, including most recently Executive Vice President and Director. He received a B.A. degree from Tufts University and completed the Executive Program at Stanford University Graduate School of Business. Mr. Dwyer is also a director of Montpelier Reinsurance Holdings, Ltd. in Bermuda, Chairman and a director of Old American County Mutual Fire Insurance Co. of Dallas, Texas, a director of Dowling & Partners of Farmington, Connecticut and a director of ProSight Specialty Holdings Inc. of Santa Rosa, California.

**David K. Steel**  
Age 53  
President, Chief Executive Officer and Director since 2010

David K. Steel, President, Chief Executive Officer and Director, originally joined us in August 2005 as our Chief Risk Manager and has served as President, Chief Executive Officer and Director of RAM Holdings and RAM Re since May 2010. Mr. Steel was formerly a Managing Director and Portfolio Manager of Hanover Capital Mortgage Holdings, Inc. Prior to Hanover, Mr. Steel served as head of the Domestic Mortgage Insurance and Reinsurance business at ACE Capital Re, Inc. from 2002 to 2004. Prior to ACE, Mr. Steel worked at FGIC from 1990 to 2002, where he was a member of the corporate leadership team and headed the Mortgage-Backed Securities and Investments business. He began his career at Lehman Brothers in 1984. Mr. Steel holds an M.B.A. from the University of California, Los Angeles and a B.S. from California State University, Sacramento.

**Steven J. Tynan**  
Age 56  
Director since 1998  
Chairman of the Board of Directors since 2001

Mr. Tynan is a retired private investor. He co-founded High Ridge Capital LLC, a private equity firm that specialized in the insurance sector, in 1995 and served as a member of the firm through 2009 when all of its remaining portfolio investments were liquidated. Mr. Tynan holds a BBA degree from Hofstra University and is a Certified Public Accountant. Mr. Tynan is a director of Orpheus Group Ltd. in Bermuda as well as all of its direct and indirect subsidiaries in Bermuda and the United States, including Calliope Investments Ltd. in Bermuda and Reid Street Services Ltd. in Bermuda.

## Independence

As previously announced, RAM Holdings delisted its common shares from the NASDAQ Stock Exchange and ceased filing public reports with the U.S. Securities and Exchange Commission (the "SEC") on May 14, 2009. Therefore, the NASDAQ and SEC rules and requirements relating to the determination of "independent" directors no longer apply to RAM Holdings. Furthermore, the rules of the Bermuda Stock Exchange on which RAM Holdings' common shares are listed and the Pink Sheets on which the common shares also trade do not prescribe requirements for independent directors of the RAM Holdings board of directors. The board of directors of RAM Holdings does, however, still consider and make determinations as to the independence of the directors of RAM Holdings.

## Board of Directors Meetings

Our board of directors and its committees held the following number of meetings during the financial year ended December 31, 2009:

Board of Directors.....	4
Audit Committee.....	4
Compensation Committee*.....	4
Nominating and Corporate Governance Committee* .....	4
Risk Management Committee of RAM Re**.....	4

\* In December 2009, the board of directors of RAM Holdings approved the combining of the previously separate Compensation Committee and Nominating and Corporate Governance Committee to form one committee of the board, named the Compensation, Nominating and Corporate Governance Committee.

\*\* The Risk Management Committee was established by the board of directors of RAM Re.

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

## Board of Directors Committees

We have an audit committee, a compensation, nominating and corporate governance committee, and a risk management committee.

<u>Director</u>	<u>Audit Committee</u>	<u>Compensation, Nominating and Corporate Governance Committee</u>	<u>Risk Management Committee of RAM Re</u>
Edward F. Bader.....	X*	X	X
David L. Boyle .....	X	X	X*
Clement S. Dwyer, Jr. ....	X	X	X
David K. Steel .....			
Steven J. Tynan .....	X	X*	X

\* Chairman

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

## *Audit Committee*

The Audit Committee was established to assist our board of directors in its oversight of the integrity of our financial reporting process, the system of internal controls, the audit process, and the performance, qualification and

independence of our independent auditors. Edward F. Bader has the attributes of an "audit committee financial expert" as defined by the Sarbanes Oxley rules. Current members of the Audit Committee are: Edward F. Bader (chairman), David L. Boyle, Clement S. Dwyer, Jr. and Steven J. Tynan.

The Audit Committee met in person four times in 2009. The Audit Committee meets periodically in separate sessions with the management of RAM Holdings and with the independent auditors. The duties and responsibilities of the Audit Committee are set forth in the committee's charter, a copy of which is available on our website at [www.ramre.com](http://www.ramre.com) by first clicking "Investor Information" and then "Corporate Governance", and include to:

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

#### ***Compensation, Nominating and Corporate Governance Committee***

In December 2009, the board of directors of RAM Holdings approved the combining of the previously separate Compensation Committee and Nominating and Corporate Governance Committee to form one committee of the board, named the Compensation, Nominating and Corporate Governance Committee.

Current members of the Compensation, Nominating and Corporate Governance Committee are: Steven J. Tynan (Chairman), Edward F. Bader, David L. Boyle and Clement S. Dwyer, Jr.

The Compensation Committee met four times in 2009 and the Nominating and Corporate Governance Committee met four times in 2009. The agenda for meetings of the Compensation, Nominating and Corporate Governance Committee is determined by its Chairman with the assistance of the Secretary of RAM Holdings. Our executives are not present during the portions of the Compensation, Nominating and Corporate Governance Committee meetings in which their compensation is determined. The Compensation, Nominating and Corporate Governance Committee reports the committee's recommendations on compensation to our board of directors.

### *Compensation*

The Compensation, Nominating and Corporate Governance Committee discharges our board of directors' responsibilities relating to compensation of our most highly-compensated employees.

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

- make recommendations to the board of directors with respect to the compensation of directors and committee members, and make recommendations to the board of directors with respect to the guidelines for director ownership of shares of RAM Holdings;
- establish a formal evaluation process for, and determine the compensation for, the Chief Executive Officer and as part of such process, to review and approve corporate goals and objectives relevant to Chief Executive Officer compensation and evaluate the Chief Executive Officer's performance in light of those goals and objectives;
- to the extent that it is required to do so, and in accordance with the Management Agreement between RAM Holdings, Reid Street Services Ltd ("RSSL") and others dated May 1, 2010 (the "RSSL Agreement"), make recommendations to either or both of RSSL and the Chief Executive Officer with respect to the employment and compensation of employees of RAM Holdings (other than the Chief Executive Officer) and employees of RSSL mandated to work for RAM Holdings and/or RAM Re, including any bonuses;
- make recommendations to the board of directors with respect to all employee and director benefit plans, including any incentive compensation plans and equity-based plans, which may include restricted shares, stock option and deferred compensation plans of RAM Holdings, including any amendments to such plans and all awards of shares or share options pursuant to any equity-based plans of RAM Holdings; and
- make recommendations to the board of directors (to the extent required) with respect to the board of directors supervision, limitation and direction of RSSL with respect to the provision by RSSL of services to RAM Holdings pursuant to the RSSL Agreement, including the rights reserved to RAM Holdings and RAM Re in respect of the appointment and selection of employees of RSSL mandated to work for RAM Holdings and/or RAM Re.

Under the charter of Compensation, Nominating and Corporate Governance Committee, it is not entitled to sub-delegate any or all of the powers and authority delegated to it.

For information regarding our stock option plan and equity compensation of our directors and executive officers, please see Note 18 "Stock Option Plan" to the audited consolidated financial statements of RAM Holdings, included as part of our 2009 Annual Report delivered herewith, and "Directors and Executive Officers Information—Equity Compensation of Directors" and "—Equity Compensation of Executive Officers" of our 2009 Annual Report.

## *Nominating and Corporate Governance*

The Compensation, Nominating and Corporate Governance Committee also assists our board of directors in (1) identifying individuals qualified to become board of directors members, and recommending to the board of directors director nominees for the next annual general meeting of shareholders or to fill vacancies; and (2) developing and recommending to the board of directors appropriate corporate governance guidelines.

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

- develop qualification criteria for board of directors members, and actively seek, interview and screen individuals qualified to become board of directors members for recommendation to the board of directors in accordance with our Corporate Governance Guidelines;
- recommend to the board of directors potential nominees to the board of directors, and the renomination of incumbent directors as appropriate;
- consider potential nominees recommended by shareholders;
- review the compensation of directors and make recommendations to the board of directors on any recommended changes;
- review the directors who are members (including qualifications and requirements), structure (including authority to delegate) and performance, of committees of the board of directors (including reporting to the board of directors), and make recommendations to the board of directors, as appropriate;
- review the qualification of directors as independent;
- prepare and assist the board of directors and each committee thereof in its self-evaluation to determine whether the board of directors and such committees are functioning effectively;
- serve in an advisory capacity to the board of directors and Chairman of the board of directors on matters of our organizational and governance structure and the conduct of the board of directors;
- review and reassess the adequacy of our Corporate Governance Guidelines and recommend any proposed changes thereto; and
- oversee the board of directors self-evaluation process.

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

- highest standards of personal character, conduct and integrity;
- experience in a position of leadership and substantial accomplishment in his or her field of endeavor, which may include business, government, not-for-profit or academia;
- an understanding of the interests of the shareholders, customers, suppliers and employees of RAM Re, as well as an understanding of the business environment in which it operates, and the intention and ability to act in its interests;

- an ability to understand and exercise sound judgment on issues affecting the company; and
- a willingness and ability to devote the time and effort required to serve effectively on our board of directors, including preparation for and attendance at board and committee meetings.

Our Compensation, Nominating and Corporate Governance Committee has not established specific minimum age, education, years of business experience or specific types of skills for potential director candidates. In general, our Compensation, Nominating and Corporate Governance Committee believes that RAM Holdings benefits from having directors who represent a diversity of experience that is relevant to RAM Holdings' operation and governance, and who will be independent. Four directors were appointed during 2010 to fill vacancies: Messrs. Joseph M. Donovan, Clement S. Dwyer, Jr., Vernon M. Endo and David K. Steel. Messrs. Donovan and Endo subsequently resigned in March 2010 and May 2010, respectively. For detailed information, please see the footnotes contained under "Directors and Executive Officers Information—Director Biographies" and "—Executive Biographies" of our 2009 Annual Report delivered herewith. Our Compensation, Nominating and Corporate Governance Committee intends to periodically assess the qualifications for director candidates in accordance with its charter.

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

By virtue of their right to use cumulative voting, certain of our shareholders effectively have the power to elect specific directors. Further, under the Bye-Laws of RAM Holdings and RAM Re, in the event of a voting cutback that results in the loss of the PMI Purchaser's ability to designate a director through cumulative voting, the PMI Purchaser will be allowed to appoint one director to the board of directors of RAM Holdings and RAM Re so long as it continues to hold at least 8.3% of the then outstanding common shares. Our Compensation, Nominating and Corporate Governance Committee has reviewed one director candidate nominated by the PMI Purchaser, Mr. Clement S. Dwyer, Jr. and evaluated his candidacy in substantially the same manner as any other director candidate, as described above. Mr. Dwyer has since been appointed as a director of RAM Holdings and RAM Re.

### ***Risk Management Committee***

The Risk Management Committee was established by the board of directors of RAM Re to assist the board of directors in overseeing the underwriting, risk management and portfolio management process of RAM Re. Current members of the Risk Management Committee are: David L. Boyle (Chairman), Edward F. Bader, Clement S. Dwyer Jr. and Steven J. Tynan.

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

- review and approve any material changes to the underwriting authority delegated to the credit committee comprised of RAM Re executive officers;
- review and approve any material changes to our underwriting guidelines;
- oversee the underwriting process through the receipt of periodic reports in order to assure general compliance with the underwriting guidelines;
- review portfolio qualitative analyses and sectoral qualitative analyses to assess overall insurance portfolio characteristics and performance;
- monitor risk-based capital adequacy measures and trends over time;

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

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

Each director of RAM Holdings is expected to be present at annual meetings of shareholders, absent exigent circumstances that prevent attendance. All of our then incumbent directors were present in person or by telephone at the 2009 annual general meeting of shareholders.

#### **Director Compensation**

For information regarding our equity compensation of our directors, please refer to "Directors and Executive Officers Information—Equity Compensation of Directors" of our 2009 Annual Report delivered herewith.

#### **Shareholder Nomination of Directors**

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

If a shareholder wishes to propose a director candidate for nomination at the annual general meeting, then the shareholder must comply with the procedures set forth in RAM Holdings' Bye-Laws and Bermuda law, as summarized below under "Additional Information – Shareholder Proposals".

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

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

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

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

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

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

On May 1, 2010, RAM Holdings and RAM Re entered into a management agreement with Reid Street Services Limited ("RSSL") and Orpheus Group Ltd., whereby RSSL was contracted to provide to both RAM Holdings and RAM Re insurance management and administrative services consistent with RAM Holdings' run off strategy. As part of the management agreement, RSSL agreed to employ all RAM Holdings and RAM Re personnel other than the current President and Chief Executive Officer, David K. Steel. The fees payable by RAM Holdings and RAM Re to RSSL pursuant to the management agreement represent an allocation of the cost of the services and leasehold space provided by RSSL to RAM Holdings and RAM Re without a profit component. Since RSSL is a wholly-owned indirect subsidiary of Orpheus Group Ltd., a Bermuda company in which the Chairman, Mr. Tynan, and a director, Mr. Dwyer, each have a beneficial interest, the management agreement was negotiated at arm's length and approved by a special committee of the board of RAM Holdings consisting of Mr. Bader and Mr. Boyle (the "Special Committee"). The Special Committee meets quarterly to consider and oversee the services provided to RAM Holdings and RAM Re pursuant to the RSSL Agreement.

For further information regarding certain related party transactions, please refer to Note 24 "Related Party Transactions" to the audited consolidated financial statements of RAM Holdings, included as part of our 2009 Annual Report delivered herewith.

### **Code of Conduct**

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

The Bermuda Monetary Authority ("BMA") has issued a Code of Conduct applicable to insurers, such as RAM Re, taking into account core principles of the International Association of Insurance Supervisors. The BMA Code of Conduct establishes duties, requirements and standards to be complied with by all insurers registered under the Insurance Act 1978 including procedures and sound principles to be observed. The Code of Conduct came into effect on July 1, 2010. RAM Re has until December 31, 2010 to be compliant with the Code. The directors are aware of the provisions under the Code of Conduct which RAM Re must adopt and they aim for RAM Re to be compliant with the Code of Conduct on or before December 31, 2010.



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

### **Executive Biographies**

For biographical information regarding our executive officers, please refer to "Directors and Executive Officers Information—Executive Biographies" of our 2009 Annual Report delivered herewith.

### **Executive Compensation**

For information regarding our equity compensation of our executive officers, please refer to "Directors and Executive Officers Information—Equity Compensation of Executive Officers" of our 2009 Annual Report delivered herewith.

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

### **Security Ownership of Certain Executive Officers and Directors**

For information regarding the beneficial ownership of our common shares by our executive officers and directors as of December 31, 2009, please refer to "Directors and Executive Officers Information—Security Ownership of Executive Officers and Directors" of our 2009 Annual Report delivered herewith.

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

### **PROPOSAL ONE**

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

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

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

If elected, the term of each nominee will expire at our annual general meeting of shareholders in 2011. Our board of directors has no reason to believe any nominee will not continue to be a candidate or will not be able to serve as a director of RAM Holdings if elected. In the event that any nominee is unable to serve as a director, the proxy holders named in the accompanying proxy will vote for the election of such substitute nominee(s) as the board of directors may propose.

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

## **PROPOSAL TWO**

### **RAM HOLDINGS AUDITOR PROPOSAL**

Upon recommendation of the Audit Committee, the board of directors has proposed that the shareholders resolve to (i) appoint Deloitte & Touche Ltd., Hamilton, Bermuda to serve as the independent auditor of RAM Holdings for the financial year ending December 31, 2010 until RAM Holdings' 2011 annual general meeting, and (ii) authorize the directors of RAM Holdings, acting by the Audit Committee, to determine the independent auditor's fee (referred to as the "RAM Holdings Auditor Proposal").

The board of directors of RAM Holdings appointed Deloitte & Touche Ltd., Hamilton, Bermuda, as RAM Holdings' new auditor in October 2010 to fill the vacancy created by the resignation of PricewaterhouseCoopers, Hamilton, Bermuda, as auditor of RAM Holdings. The change of auditor was not due to any disagreements with PricewaterhouseCoopers on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure with respect to RAM Holdings or RAM Re. PricewaterhouseCoopers, RAM Holdings' previous auditor, served as the independent auditor of RAM Holdings for the 2009 financial year. A representative of Deloitte & Touche Ltd., Hamilton, Bermuda will attend the Annual Meeting, and will be available to respond to questions and may make a statement if he or she so desires.

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

## PROPOSAL THREE

### PROPOSALS CONCERNING OUR SUBSIDIARY RAM RE

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

**Proposal 3.1 Authorization of Election of Directors of RAM Re.** The composition of the board of directors of RAM Re is the same as that of RAM Holdings. The proposed directors of RAM Re are the same as the proposed directors of RAM Holdings, above.

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

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

If elected, the term of each nominee will expire at RAM Re's 2011 annual general meeting. The board of directors of RAM Holdings has no reason to believe any nominee will not continue to be a candidate or will not be able to serve as a director of RAM Re if elected. In the event that any nominee is unable to serve as a director, the proxy holders named in the accompanying proxy will vote for the election of such substitute nominee(s) as the board of directors of RAM Holdings may propose.

**Proposal 3.2 RAM Re Auditor.** The board of directors has proposed that the shareholders authorize the appointment of Deloitte & Touche Ltd., Hamilton, Bermuda to serve as the independent auditor of RAM Re for the financial year ending December 31, 2010 until RAM Re's 2011 annual general meeting, and that the shareholders authorize the directors of RAM Re, acting by the Audit Committee, to determine the independent auditor's fees. Deloitte & Touche Ltd., Hamilton, Bermuda, was appointed as RAM Re's new auditor in October 2010 to fill the vacancy created by the resignation of PricewaterhouseCoopers, Hamilton, Bermuda, as auditor of RAM Re. The change of auditor was not due to any disagreements with PricewaterhouseCoopers on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure with respect to RAM Holdings or RAM Re. PricewaterhouseCoopers, RAM Re's previous auditor, served as the independent auditor of RAM Re for the 2009 financial year.

**Proposal 3.3 Authorization of increase in size of Board of Directors of RAM Re.** Upon recommendation of the Compensation, Nominating and Corporate Governance Committee, the board of directors has proposed that the shareholders authorize the deeming of two of the vacancies on the board of directors of RAM Re as vacancies available for the appointment of two directors by the holders of Class B preference shares which right may arise pursuant to Bye-Law 39.5 of RAM Re and the certificate of designation, preferences and rights of the Class B preference shares, and to authorize the board of directors of RAM Re to do anything that may be required in connection with any potential appointment of any directors by the holders of Class B preference shares of RAM Re, including the approval of any nominees.

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

## ADDITIONAL INFORMATION

### Other Action at the Meeting

A copy of our Annual Report to shareholders for the year ended December 31, 2009, including financial statements for the year ended December 31, 2009 and the auditor's report thereon, is being mailed to all shareholders with this proxy statement. The Annual Report will be presented and discussed at the Annual Meeting.

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

### Shareholder Proposals

Shareholder proposals must be received in writing by the Secretary of RAM Holdings and must comply with the requirements of our Bye-Laws in order to be considered for inclusion in our Proxy Statement and form of Proxy relating to such meeting. We believe that shareholder proposals received by July 15, 2011 would be considered timely for inclusion in the 2011 Proxy Statement. Such proposals should be directed to the attention of the Secretary, RAM Holdings Ltd., RAM Re House, 46 Reid Street, Hamilton, HM 12, Bermuda or Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda. Any such proposal must include: (i) the names and addresses of the shareholders who intend to make the proposal, (ii) a representation that such shareholders are holders of record of shares entitled to vote at such meeting and intend to appear in person or by proxy at the meeting to present the proposal, and (iii) the class and number of shares which are beneficially owned by such shareholders. Our Bye-Laws also set forth procedures to have a proposal brought before a general meeting, whether or not it is included in our proxy statement. Notice of any such proposal also must be received by us as set forth above by July 15, 2011 and must include the information specified in our Bye-Laws.

Shareholders who intend to nominate persons for election as directors at our annual general meeting of RAM Holdings must comply with the advance notice procedures and other provisions set forth in the Bye-Laws of RAM Holdings in order for such nominations to be properly brought before the meeting. In addition, the Compensation, Nominating and Corporate Governance Committee considers nominees to our board of directors recommended by shareholders. Notice of the intention to propose any person for election as a director and of his or her willingness to serve as a director must be given to RAM Holdings by September 15, 2011. Any such notice shall also include: (a) as to the individual whom such shareholder proposes to nominate for election as a director: (i) the name, age, business address and residence address of such individual, (ii) the principal occupation or employment of such individual, and (iii) the class and number of shares which are beneficially owned by such individual; and (b) as to the shareholder giving the notice: (i) the name and address, as they appear on the register of members, of such shareholder, (ii) the class and number of shares which are beneficially owned by such shareholder and (iii) the period of time such shares have been owned.

If a shareholder proposal is introduced at the 2011 annual general meeting of shareholders that is not discussed in the 2011 Proxy Statement, then proxies received by RAM Holdings for the 2011 annual general meeting of shareholders will be voted by the persons named as such proxies in their discretion with respect to such proposal.

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

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

**Costs of Solicitation**

The cost of this proxy solicitation will be borne by RAM Holdings. We may retain a third-party proxy solicitor to assist in the solicitation of proxies, although we have not entered into any such arrangements as of the date of this proxy statement. If we retain a third-party proxy solicitor, we expect to pay the firm a fee of at least \$5,500 plus expenses. In addition to solicitation by mail, officers, directors and employees of RAM Holdings may solicit proxies by telephone, facsimile or in person, although no compensation will be paid for such solicitation. RAM Holdings may also request banks and brokers to solicit their customers who have a beneficial interest in our common shares registered in the names of nominees and will reimburse such banks and brokers for their reasonable out-of-pocket expenses.

[This page intentionally left blank.]



[This page intentionally left blank.]

[This page intentionally left blank.]



