

GREENLIGHT CAPITAL RE, LTD.

Form S-3ASR

June 22, 2012

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As Filed with the Securities and Exchange Commission on June 22, 2012

Registration No. 333-

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

FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Greenlight Capital Re, Ltd.

(Exact Name of Registrant as Specified in Its Charter)

Cayman Islands
(State or Other Jurisdiction of)

Not Applicable
(IRS Employer)

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Incorporation or Organization)
65 Market Street, Suite 1207, Camana Bay
P.O. Box 31110
Grand Cayman, KY1-1205
Cayman Islands

(345) 943-4573

Identification Number)
Corporation Service Company

1133 Avenue of the Americas

Suite 3100

New York, New York 10036-6710

(212) 299-5600

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

Copies To:

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Approximate Date of Commencement of Proposed Sale to the Public: From time to time after the effective date of this registration statement, as determined by market conditions and other factors.

If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional class of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input type="checkbox"/>

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Proposed Title of each class of Securities to be registered(1)	Amount to be Registered(2)	Proposed Maximum Offering Price Per Unit(3)	Proposed Maximum Aggregate Offering Price(4)	Amount of Registration Fee(4)
Primary Offering(3):				
Class A Ordinary Shares, par value \$.10 per share(5)				
Preferred Shares, par value \$0.10 per share(6)				
Depository Shares(7)				
Debt Securities(8)				
Warrants				
Share Purchase Contracts				
Total for securities to be registered by Registrant				

- (1) These offered securities may be sold separately or together.
- (2) This registration statement includes an indeterminate number of securities (the Primary Offering) that were previously registered on a registration statement on Form S-3 (File No. 333-158970) (the Prior Registration Statement) and any additional securities to be offered or issued from share splits, share dividends, recapitalizations or similar transactions. Pursuant to SEC Rule 415(a)(6), the filing fees previously paid by the registrant in connection with such unsold securities, in the amount of \$11,160.00 for \$200 million of securities pursuant to the Prior Registration Statement will continue to be applied to such unsold securities, and the Primary Offering under the Prior Registration Statement will be deemed terminated as of the date of effectiveness of this registration statement. An unspecified number or amount and aggregate initial offering price of the securities of each identified class is being registered as may from time to time be offered by the registrant at unspecified prices, including an indeterminate number or amount of securities that may be issued upon exercise, settlement, exchange or conversion of securities offered hereunder. Separate consideration may or may not be received for securities that are issuable upon exercise, settlement, conversion or exchange of other securities.
- (3) Such indeterminate number or amount of Class A ordinary shares, preferred shares, depository shares, debt securities, warrants and share purchase contracts of Greenlight Capital Re, Ltd., as may from time to time be issued at indeterminate prices, in U.S. Dollars or the equivalent thereof denominated in foreign currencies or units of two or more foreign currencies or composite currencies (such as European Currency Units or Euros).
- (4) In accordance with Rules 456(b) and 457(r) under the Securities Act of 1933, as amended, the registrant is deferring payment of all of the registration fee. In connection with the securities offered hereby, the registrant will pay pay-as-you-go registration fees in accordance with Rule 456(b). In addition, pursuant to Rule 415(a)(6), the Registrant is carrying forward the filing fees as described in footnote 2 above.
- (5) Also includes such presently indeterminate number of Class A ordinary shares as may be issued by Greenlight Capital Re, Ltd. (a) upon conversion of or exchange for any debt securities or preferred shares that provide for conversion or exchange into Class A ordinary shares, (b) upon exercise of warrants to purchase Class A ordinary shares or (c) pursuant to share purchase contracts.
- (6) Also includes such presently indeterminate number of preferred shares as may be issued by Greenlight Capital Re, Ltd. (a) upon conversion of or exchange for any debt securities that provide for conversion or exchange into preferred shares, (b) upon exercise of warrants to purchase preferred shares, (c) upon conversion of or exchange for depository shares or (d) pursuant to share purchase contracts.
- (7) To be represented by depository receipts representing an interest in all or a specified portion of a Class A ordinary share or preferred share.
- (8) Subject to note (3), debt securities, which may be senior or subordinated.

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Greenlight Capital Re, Ltd.

Class A Ordinary Shares, Preferred Shares, Depositary Shares, Debt Securities, Warrants and Share Purchase Contracts

Under this shelf process, we may offer to sell, from time to time, any combination of the securities described in this prospectus in one or more offerings.

Specific terms of these securities will be provided in one or more supplements to this prospectus. Those terms may include, among others, as applicable:

Aggregate principal amount	Sinking fund terms
Issue price	Ranking
Denomination	Redemption terms
Currency or composite currency	Conversion terms
Maturity	Listing on a securities exchange
Interest rate	Amount payable at maturity
Dividend rate	Liquidation preference

You should read this prospectus and any applicable prospectus supplement carefully before you invest. We will not use this prospectus to confirm sales of any securities unless it is attached to a prospectus supplement.

These securities may be sold to or through underwriters and also to other purchasers or through agents. The names of any underwriters or agents and the specific terms of a plan of distribution will be stated in an accompanying prospectus supplement.

We may sell any combination of these securities in one or more offerings.

INVESTING IN THESE SECURITIES INVOLVES CERTAIN RISKS. SEE RISK FACTORS ON PAGE 2.

OUR CLASS A ORDINARY SHARES ARE LISTED ON THE NASDAQ GLOBAL SELECT MARKET UNDER THE TRADING SYMBOL GLRE. EACH PROSPECTUS SUPPLEMENT WILL INDICATE IF THE SECURITIES OFFERED THEREBY WILL BE LISTED ON ANY SECURITIES EXCHANGE.

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None of the U.S. Securities and Exchange Commission, any United States state securities commission, the Cayman Islands Monetary Authority nor any other regulatory body has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

No offer is being made or will be made to the public in the Cayman Islands to subscribe for any securities to be issued hereunder.

This prospectus may not be used to consummate sales of offered securities unless accompanied by a prospectus supplement.

The date of this prospectus is June 22, 2012.

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EXPLANATORY NOTE

This registration statement includes an indeterminate number of securities (the primary offering) that were previously registered on a registration statement on Form S-3 (file no. 333-158970) (the prior registration statement) and any additional securities to be offered or issued from share splits, share dividends, recapitalizations or similar transactions. We are filing this registration statement solely to replace that portion of the prior registration statement related to the primary offering that is expiring pursuant to rule 415(a)(5) under the Securities Act of 1933, as amended (the Securities Act). In accordance with rule 415(a)(6) of the Securities Act, effectiveness of this registration statement will be deemed to terminate the registration of the primary offering under the prior registration statement. The prior registration statement also includes up to 6,254,949 class a ordinary shares that may be sold from time to time pursuant to the expiring registration statement by the selling shareholders (the secondary offering). Pursuant to rule 415(a)(5), the registration of the secondary offering is not subject to expiration and, therefore, the prior registration statement will remain in effect solely as to the secondary offering and this registration statement will not include the secondary offering.

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the U.S. Securities and Exchange Commission (the SEC or the Commission) using a shelf registration process. Under this shelf process, we may sell any combination of the securities described in this prospectus in one or more offerings. This prospectus provides you with a general description of the securities we may offer. Each time we sell securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. If there is any inconsistency between the information in this prospectus and any applicable prospectus supplement, you should rely on the information in the applicable prospectus supplement. You should read both this prospectus and any applicable prospectus supplement, together with additional information described under the heading Where You Can Find More Information. THIS PROSPECTUS MAY NOT BE USED TO CONSUMMATE A SALE OF SECURITIES UNLESS IT IS ACCOMPANIED BY A PROSPECTUS SUPPLEMENT.

The registration statement containing this prospectus, including the exhibits to the registration statement, provides additional information about us and the securities to be offered. The registration statement, including the exhibits, can be read at the SEC web site or at the SEC offices mentioned under the heading Where You Can Find More Information. General information about us, including our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, as well as any amendments and exhibits to those reports, are available free of charge through our website at <http://www.greenlightre.ky> as soon as reasonably practicable after we file them with, or furnish them to, the SEC. Information on our website is not incorporated into this prospectus or our other securities filings and is not a part of these filings.

You should rely only on the information contained in this prospectus and the information to which we have referred you. We have not authorized any other person to provide you with information that is different. This prospectus may only be used where it is legal to sell these securities. The information in this prospectus may only be accurate on the date of this document.

As used in this prospectus, unless otherwise indicated or unless the context otherwise requires, all references in this prospectus to we, us, our and similar expressions are references to Greenlight Capital Re, Ltd. and its consolidated subsidiaries. Unless otherwise indicated or unless the context otherwise requires, all references in this prospectus to Greenlight Re are solely to Greenlight Capital Re, Ltd.

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RISK FACTORS

Investing in our securities involves risk. Please see the risk factors described in our Annual Report on Form 10-K for our most recent fiscal year and our Quarterly Reports on Form 10-Q, which are incorporated by reference in this prospectus. Before making an investment decision, you should carefully consider these risks as well as other information we include or incorporate by reference in this prospectus. The risks and uncertainties we have described are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business operations. Additional risk factors may be included in a prospectus supplement relating to a particular series or offering of securities. These risks could materially affect our business, results of operations or financial condition and cause the value of our securities to decline. You could lose all or part of your investment.

CAUTIONARY STATEMENT REGARDING

FORWARD-LOOKING STATEMENTS

Certain statements in this prospectus and documents incorporated by reference, other than purely historical information, including estimates, projections, statements relating to our business plans, objectives and expected operating results and the assumptions upon which those statements are based, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. These forward-looking statements generally are identified by the words believe, project, predict, expect, anticipate, estimate, intend, plan, may, should, will, would, will be, will continue, will likely result, and similar expressions. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. A detailed discussion of risks and uncertainties that could cause actual results and events to differ materially from such forward-looking statements is included in the risk factors described in our Annual Report on Form 10-K for our most recent fiscal year or our Quarterly Report on Form 10-Q for our most recent fiscal quarter, as applicable, which are incorporated by reference in this prospectus. Some of these risks and uncertainties include, but are not limited to, the following:

Our results will fluctuate from period to period and may not be indicative of our long-term prospects;

If our losses and loss adjustment expenses greatly exceed out loss reserves, our financial condition may be significantly and negatively affected;

The property and casualty reinsurance market may be affected by cyclical trends;

The effect of emerging claim and coverage issues on our business is uncertain;

Rating agencies may downgrade or withdraw our rating;

We depend on DME Advisors, LP, or DME Advisors, to implement our investment strategy.

Loss of key executives could adversely impact our ability to implement our business strategy; and

Currency fluctuations could result in exchange rate losses and negatively impact our business.

We caution that the foregoing list of important factors is not intended to be and is not exhaustive. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise and all subsequent written and oral forward-looking statements attributable to us or individuals acting on our behalf are expressly qualified in their entirety by this paragraph. If one

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or more risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may vary materially from what we projected. Any forward-looking statement in this Form S-3 reflect our current view with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to our operations, results of operations, growth, strategy and liquidity. Readers are cautioned not to place undue reliance on the forward-looking statements which speak only to the dates on which they were made.

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SUMMARY

Overview

Greenlight Capital Re, Ltd.

We are a Cayman Islands headquartered global specialist property and casualty reinsurer with a reinsurance and investment strategy that we believe differentiates us from our competitors. We conduct our reinsurance operations through two licensed and regulated entities: Greenlight Reinsurance, Ltd., based in the Cayman Islands, and Greenlight Reinsurance Ireland, Ltd., based in Dublin, Ireland. Our goal is to build long-term shareholder value by offering customized reinsurance solutions in markets where capacity and alternatives are limited, which we believe will provide us with favorable long-term returns on equity. In September 2010, we established Greenlight Reinsurance Ireland, Ltd. to provide multi-line property and casualty reinsurance capacity to the European broker market and to further serve clients located in Europe.

We aim to complement our underwriting results with a non-traditional investment approach in order to achieve higher rates of return over the long-term than reinsurance companies that employ more traditional, fixed-income investment strategies. We manage our investment portfolio according to a value-oriented philosophy, in which we take long positions in perceived undervalued securities and short positions in perceived overvalued securities.

In addition, from time to time we may seek to form long-term strategic alliances with insurance companies and general agents to complement our property and casualty reinsurance business and our non-traditional investment approach. To facilitate such strategic alliances, we formed Verdant Holding Company, Ltd., which, among other activities, has made and may make strategic investments in a select group of property and casualty insurers and general agents in the United States.

We began underwriting business in April 2006, once our senior underwriting team and infrastructure were in place. In August 2006, we received an A- (Excellent) financial strength rating with a stable outlook from A.M. Best. On September 26, 2011, A.M. Best upgraded our rating from A- (Excellent) to A (Excellent) with a stable outlook, and reaffirmed the A- (Excellent) rating for Greenlight Reinsurance Ireland, Ltd. An A (Excellent) rating from A.M. Best is the third highest of 15 ratings. We believe that a strong rating is an important factor in the marketing of reinsurance products to clients and brokers. This rating reflects the rating agency's opinion of our financial strength, operating performance and ability to meet obligations. It is not an evaluation directed toward the protection of investors or a recommendation to buy, sell or hold our Class A ordinary shares.

History

Greenlight Re is a holding company that was incorporated in July 2004 under the laws of Cayman Islands. In August 2004, we raised gross proceeds of \$212.2 million from a private placement of Greenlight Re's Class A ordinary shares and Class B ordinary shares. On May 24, 2007, Greenlight Re raised proceeds of \$208.3 million, net of underwriting fees, in an initial public offering of Class A ordinary shares, as well as an additional \$50.0 million from a private placement of Class B ordinary shares.

Other Information

Greenlight Re's Class A ordinary shares are listed on the Nasdaq Global Select Market under the symbol GLRE.

Our principal executive offices are located at 65 Market Street, Suite 1207, Camana Bay, P.O. Box 31110, Grand Cayman, KY1-1205, Cayman Islands. Our telephone number at that location is (345) 943-4573. We

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maintain a website at <http://www.greenlightre.ky>. Information on our website is not incorporated into this prospectus or our other securities filings and is not a part of these filings.

For additional information concerning our company, please see "Where You Can Find More Information" on page 45 of this prospectus.

For further information regarding us, including financial information, you should refer to our recent filings with the SEC.

USE OF PROCEEDS

Unless otherwise indicated in an applicable prospectus supplement, the net proceeds from the sale of the securities offered by us will be used by us or our subsidiaries for working capital, capital expenditure, acquisitions and other general corporate purposes. Until we use the net proceeds in this manner, we may temporarily use them to make short-term investments or reduce short-term borrowings. We may provide additional information on the use of the net proceeds from the sale of the offered securities in an applicable prospectus supplement relating to the offered securities.

We will pay the fees and expenses incurred in effecting the registration of the Class A ordinary shares covered by this prospectus, including, without limitation, all registration and filing fees, fees and expenses of our counsel and accountants.

RATIO OF EARNINGS TO FIXED CHARGES AND PREFERRED SHARE DIVIDENDS

The following table sets forth our consolidated ratios:

	Three Months Ended March 31, 2012(2)	Year Ended December 31, 2011(2)	Year Ended December 31, 2010(2)	Year Ended December 31, 2009(2)	Year Ended December 31, 2008(2)	Year Ended December 31, 2007(2)
Ratio of Earnings to Fixed Charges(1)	13.1	1.43	9.38	28.77		9.93
Deficiency of earnings to fixed charges (\$000)					(94,178)(3)	

- (1) The ratio of earnings to fixed charges was determined by dividing consolidated earnings by total fixed charges. For purposes of the ratios of earnings to fixed charges (i) earnings consist of consolidated net income before considering income taxes, minority interest and fixed charges and (ii) fixed charges consist of interest on indebtedness, interest expense on funds withheld from reinsurers and that portion of rent expense that is deemed by our management to be an appropriate interest factor. We have estimated that one-third of rent expense represents a reasonable approximation of the interest factor.
- (2) No preferred shares were outstanding during the years ended December 31, 2011, 2010, 2009, 2008 and 2007 or during the three months ended March 31, 2012 and no preferred share dividends were paid during those periods.
- (3) For the year ended December 31, 2008, earnings were insufficient to cover fixed charges by \$94.2 million. This was largely due to realized and unrealized investment losses incurred during the year ended December 31, 2008.

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DESCRIPTION OF SHARE CAPITAL

The following is a description of the material terms and provisions relating to our share capital. Because it is a summary, the following description is not complete and is subject to and qualified in its entirety by reference to our Articles, which define the rights of our shareholders. Unless otherwise indicated or unless the context otherwise requires, references in this prospectus to Articles are intended to refer to our Third Amended and Restated Memorandum and Articles of Association. Our Articles are incorporated by reference as an exhibit to the Registration Statement of which this prospectus forms a part. See Where You Can Find More Information for information on how to obtain copies of these documents.

Authorized Capital

Our authorized share capital consists of (i) 125 million ordinary shares, par value \$0.10 per share; and (ii) 50 million preferred shares, par value \$0.10 per share. As of June 15, 2012, we had 30,423,704 Class A ordinary shares issued and outstanding and 6,254,949 Class B ordinary shares issued and outstanding and no preferred shares issued or outstanding. As of June 15, 2012, there were approximately 39 record holders of our ordinary shares.

Ordinary Shares

Our ordinary shares are divided into 100,000,000 Class A ordinary shares, 30,423,704 of which are issued and outstanding, and 25,000,000 Class B ordinary shares, 6,254,949 of which are issued and outstanding. Except as set forth in Class B ordinary shares below, the holders of all ordinary shares are entitled:

- (i) to share equally in dividends (whether payable in cash, property or our securities) as our board of directors may from time to time declare in accordance with the provisions of our Articles and the Companies Law (as revised) of the Cayman Islands, or the Companies Law;
- (ii) in the event of our winding-up or dissolution, whether voluntary or involuntary or for the purpose of an amalgamation, reorganization or otherwise or upon any distribution of share capital and surplus, to share equally and ratably in our assets, if any, remaining after the payment of all of our debts and liabilities and the liquidation preference of any issued and outstanding preferred shares; and
- (iii) generally to enjoy all of the rights attaching to such shares.

Holders of ordinary shares have no pre-emptive, redemption, conversion or sinking fund rights.

Class A Ordinary Shares

Each Class A ordinary share is entitled to one vote per share. However, except upon unanimous consent of the board of directors, no holder shall be permitted to acquire an amount of shares which would cause any person to own (directly, indirectly or constructively under applicable United States tax attribution and constructive ownership rules) 9.9% or more of the total voting power of the total issued and outstanding ordinary shares (a 9.9% Shareholder). The board of directors shall reduce the voting power of any holder that is a 9.9% Shareholder to the extent necessary such that the holder ceases to be a 9.9% Shareholder. In connection with this reduction, the voting power of the other shareholders of the Company may be adjusted pursuant to the terms of the Articles. Accordingly, certain holders of Class A Ordinary Shares may be entitled to more than one vote per share subject to the 9.9% restriction in the event that the board of directors is required to make an adjustment on the voting power of any 9.9% Shareholder or the voting power of a holder of Class B Ordinary Shares as described below.

Class B Ordinary Shares

Each Class B ordinary share is entitled to ten votes per share. However, the total voting power of all Class B ordinary shares, as a class, shall not exceed 9.5% of the total voting power of the total issued and outstanding

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ordinary shares. The voting power of any Class A ordinary shares held by any holder of Class B ordinary shares (whether directly, or indirectly or constructively under applicable United States tax attribution and constructive ownership rules) shall be included for purposes of measuring the total voting power of the Class B ordinary shares. The board of directors shall reduce the voting power of any holder of Class B ordinary shares that owns more than 9.5% of the total voting power of the total issued and outstanding ordinary shares to the extent necessary such that the holder ceases to own more than 9.5% of the outstanding ordinary shares. In connection with this reduction, the voting power of the other holders of ordinary shares of the Company shall be adjusted pursuant to the terms of the Articles.

In the event of a sale, transfer, exchange or other disposition, of any Class B ordinary shares by a holder thereof, other than a transfer to a permitted transferee, as defined in our Articles, the Class B ordinary shares shall be automatically converted into an equal number of Class A ordinary shares.

The one-for-one conversion ratio for the conversion of Class B ordinary shares into Class A ordinary shares will be equitably adjusted in the event of any recapitalization of the company by means of a share dividend on, or a share split or combination of, outstanding Class A ordinary shares or Class B Ordinary Shares, or in any amalgamation, or other reorganization of the company with another company.

We will reserve and keep available sufficient authorized but unissued Class A ordinary shares to effectuate the conversion of Class B ordinary shares into Class A ordinary shares. If any Class B ordinary shares are converted, the converted Class B ordinary shares will be cancelled.

Limitation on Share Ownership

Under our Articles, except upon unanimous consent by the board of directors:

no person shall be allowed to acquire Class A ordinary shares if such acquisition would cause any person to own (directly, indirectly or constructively under applicable United States tax attribution and constructive ownership rules) 9.9% or more of the issued and outstanding ordinary shares; and

no person shall be allowed to acquire Class A ordinary shares if such acquisition would cause such person to own directly 9.9% or more of the issued and outstanding ordinary shares.

Under our Articles, our board of directors may send a repurchase notice in the event that it determines in its absolute discretion that:

a transfer would violate the ownership limitations described above; or

a transfer would result in an increased risk of adverse tax, regulatory or legal consequences to us. In the event the board of directors determines an ownership limitation has been violated, we have the option, but not the obligation, to purchase all or any part of the shares, to the extent we determine it is necessary or advisable to avoid or cure any adverse or potentially adverse consequences.

Preferred Shares

Pursuant to our Articles and Cayman Islands law, our board of directors may establish one or more series of preferred shares having such number of shares, designations, relative voting rights, dividend rates, liquidation and other rights, preferences, powers and limitations as may be fixed by the board of directors without any further shareholder approval. Any preferred shares issued will include restrictions on voting and transfer intended to avoid having us constitute a controlled foreign corporation for United States federal income tax purposes. Such rights, preferences, powers and limitations as may be established could have the effect of discouraging an attempt to obtain control of us. The issuance of preferred shares could also adversely affect the voting power of the holders of the ordinary shares, deny shareholders the receipt of a premium on their ordinary shares in the event of a tender or other offer for the ordinary shares and have a depressive effect on the market price of the ordinary shares.

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Options

As of June 15, 2012, options to purchase 1,399,000 Class A ordinary shares at an unadjusted average exercise price of \$15.06 were outstanding.

Corporate Governance

Our Articles provide for the corporate governance of the company, including the establishment of share rights, modification of such rights, issuance of share certificates, the transfer of shares, alterations to capital, the calling and conduct of general and special meetings, proxies, the appointment and removal of directors, conduct and powers of directors, the payment of dividends and the winding-up of the company.

Our Articles provide that the board of directors will be elected annually. Shareholders may remove a director for cause as defined in the Articles prior to the expiration of such director's term at a meeting of shareholders at which a quorum is present and more than 50% of the total voting power entitled to vote is cast in favor of such action. A general meeting of shareholders may be convened by the chairman of the board or any two directors or any director and the secretary of the board of directors.

The provisions contained in our Articles may only be amended upon the affirmative vote of sixty-six and two thirds percent of the votes cast at a meeting of shareholders where a quorum is present. A copy of our Articles will be sent to any prospective investor that requests a copy. In addition, we file annual, quarterly and current reports, proxy statements and other information with the SEC, which includes a copy of our Articles. The material we file with the SEC may be accessed electronically by means of the SEC's home page on the Internet at <http://www.sec.gov>.

Subject to the provisions of our Articles, the directors, secretary and officers shall be held harmless for any acts or omissions in the performance of their duties in the absence of willful negligence, willful default, fraud or dishonesty. Our Articles contain provisions for the indemnification of directors, officers and the secretary against liabilities to third parties arising in connection with the performance of their services by us, to the extent approved by a majority of the disinterested members of the board of directors. Expenses may be advanced to indemnified parties if approved by a majority of the disinterested directors.

Registration Rights

The holders of our ordinary shares prior to our initial public offering were given certain registration rights pursuant to a shareholders' agreement, dated August 11, 2004, or our Shareholders' Agreement. Pursuant to our Shareholders' Agreement, Greenlight Capital Investors, LLC, or GCI, had the right to unlimited demand registration rights once we were eligible to use Form S-3 (or similar short form registration statements). GCI assigned its demand registration rights under the Shareholders' Agreement, with our consent, to David Einhorn, our chairman of the board, on January 3, 2007. Pursuant to the Shareholders' Agreement, David Einhorn is entitled to registration rights for all of his Class B ordinary shares, including those acquired in a private placement in May 2007. We will not be required to effect more than two registrations pursuant to the demand rights in any 12 month period.

The registration rights described above can be modified on a pro rata basis if the managing underwriters for the registered offering believe modification is necessary due to market considerations. We are required to bear all expenses of all registration (exclusive of underwriting discounts and commissions, transfer taxes and fees and expenses of more than one counsel (and one local counsel, as reasonably required) for all selling shareholders).

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Transfer Restrictions

Our Articles contain several provisions restricting the transferability of our ordinary shares. Our Articles provide that, if our board of directors determines in its sole and absolute discretion that:

any transfer of shares would violate the ownership limitations described above; or

the transfer would result in an increased risk of adverse tax, regulatory or legal consequences to us or any of our shareholders, they may decline to register such transfer and, if not registered, would be of no effect. Our Articles also provide that in the event that our board of directors determines that an ownership limitation has been violated as a result of any transfer, we shall have the option, but not the obligation, to purchase all or any part of the ordinary shares, to the extent we determine it is necessary or advisable to avoid or cure any adverse or potentially adverse consequences resulting from such transfer.

In connection with any transfer of ordinary shares, and in addition to the certification requirement described above, holders of ordinary shares will only be able to transfer their ordinary shares in compliance with the provisions of the Securities Act.

Differences in Corporate Law

The Companies Law, which applies to us, differs in certain material respects from laws generally applicable to United States corporations and their shareholders. Set forth below is a summary of certain significant provisions of Companies Law (including modifications adopted pursuant to our Articles) applicable to us which differ in certain respects from provisions of Delaware corporate law. Because the following statements are summaries, they do not purport to deal with all aspects of Cayman Islands law that may be relevant to us and our shareholders.

Interested Party Transactions

No one will be disqualified from being elected director or appointed an alternate director because he has contracted with us. Likewise, none of our contracts will be deemed void because any director or alternate director is an interested party in such transaction. We will not hold any interested party liable for monies owed to us under such contract or transaction. A director (or his alternate director in his absence) may participate in the vote in respect of the contract or transaction in which he is interested as long as he disclosed his interest before that matter is considered or voted upon.

A director or alternate director may vote on a contract or transaction where he has an interest as a shareholder, director, officer or employee provided he disclosed the interest.

Under Delaware law such a transaction would be voidable unless:

the material facts as to such interested director's relationship or interests are disclosed or are known to the board of directors and the board in good faith authorizes the transaction by the affirmative vote of a majority of the disinterested directors;

such material facts are disclosed or are known to the shareholders entitled to vote on such transaction and the transaction is specifically approved in good faith by vote of the majority of shares entitled to vote thereon; or

the transaction is fair as to the corporation as of the time it is authorized, approved or ratified. Under Delaware law, such interested director could be held liable for a transaction in which such director derived an improper personal benefit.

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Mergers and Similar Arrangements

We may petition the Cayman Islands courts to allow us to enter into a scheme of arrangement whereby we amalgamate with another Cayman Islands company or with a body incorporated outside of the Cayman Islands if each class of shareholders representing 75% in value of each class of shareholder of the company is present and voting at a general meeting of each class of shareholders vote in favor of the proposed scheme. Assuming that shareholder approval is obtained, we must request a court hearing sanctioning the scheme of arrangement. Any shareholder may attend and be heard at this hearing to argue that the scheme ought not to be sanctioned and the Cayman Islands court can take any matter into account when considering whether or not to sanction the scheme of arrangement. If the court sanctions such a scheme then it becomes binding on all the shareholders whether or not they voted for or voted against the scheme. If the scheme of arrangement receives sanction of the Cayman Islands court, the court order must be filed with the Cayman Islands Registrar of Companies in order to become effective. Thereafter, the provisions of the scheme of arrangement can be put into place.

We may also enter into a merger (the merging of two or more constituent companies with one company remaining as the surviving company) or consolidation (the combination of two or more companies into a consolidated company) without court approval in certain circumstances. Under this method, each constituent board of directors must adopt a written plan describing the terms and conditions of the proposed merger or consolidation and each constituent company's shareholders must authorize the plan a special resolution (normally, and as a minimum, a two thirds majority of the shareholders voting together as one class).

Under Delaware law, with certain exceptions, a merger, consolidation or sale of all or substantially all the assets of a corporation must be approved by the board of directors and a majority of the outstanding shares entitled to vote thereon. Under Delaware law, a stockholder of a corporation participating in certain major corporate transactions may, under certain circumstances, be entitled to appraisal rights pursuant to which such stockholder may receive cash in the amount of the fair value of the shares held by such stockholder (as determined by a court) in lieu of the consideration such stockholder would otherwise receive in the transaction.

Shareholders Suits

Under Cayman Islands law the general principle is that a shareholder cannot bring an action in his own name against those in control of the company if the cause of action is vested in the company and relief is accordingly sought on behalf of the company.

The exceptions to this general principle are:

where the alleged wrong is illegal or ultra vires the company;

where the applicable transaction required, but did not receive, sanction by a special resolution or special majority of shareholders;

where what has been done amounts to a fraud on the minority shareholders and the wrongdoers are in control of the company as directors or majority shareholder (in this context, fraud has its wider equitable meaning); or

where the act complained of infringes a personal right of the shareholder seeking to bring the action. In any of these situations, the Grand Court may grant permission for the aggrieved shareholder(s) to bring a derivative action for the benefit of the company against the wrongdoers. The court may order the legal costs of commencing and progressing the action to be paid by the company.

Class actions are generally not available to shareholders under the laws of the Cayman Islands, although there is power under the Grand Court rules to make a representation order pursuant to which one person is appointed to represent other persons who have the same interest in the proceedings. The Grand Court rules also provide a regime for the recovery of costs by a successful party in litigation against an unsuccessful party. Although an order for costs is at the discretion of the court, a winning party will usually be entitled to recover a portion of attorneys' fees for the litigation.

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An alternative remedy available to shareholders under Cayman Islands law is to petition the Grand Court for an order that it is just and equitable to wind up the company. If a winding up order is made, the company will go into liquidation.

Indemnification of Directors

We may indemnify our directors or officers in their capacity as such in respect of any loss arising or liability attaching to them by virtue of any rule of law in respect of any willful negligence, willful default, breach of duty or breach of trust of which a director or officer may be guilty in relation to us other than in respect of his own fraud or dishonesty. Under Delaware law, a corporation may indemnify a director or officer of the corporation against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in defense of an action, suit or proceeding by reason of such position if:

such director or officer acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation; and

with respect to any criminal action or proceeding, such director or officer had no reasonable cause to believe his or her conduct was unlawful.

We will indemnify each of our directors, agents and officers out of our assets against any liability incurred by them as a result of any act or failure to act in carrying out their functions other than such liability (if any) that they may incur by their own willful negligence, willful default, fraud or dishonesty. No such director, agent or officer shall be liable to us for any loss or damage in carrying out his functions unless their liability arises through willful negligence, willful default, fraud or dishonesty of such director, agent or officer.

Inspection of Corporate Records

Members of the general public do not have the right to inspect our corporate or constitutive documents. A shareholder of a Cayman Islands company has the right to request the company send him a copy of its memorandum and articles of association in force, on payment of a maximum sum of one Cayman Islands dollar for each copy. In addition, our Articles provide that our board of directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations our accounts and books or any of them shall be open to the inspection of shareholders and no shareholder shall have any right of inspecting any of our accounts or books or documents except as conferred by statute, or authorized by our board of directors or by us in general meeting. Also, the directors may from time to time cause to be prepared and to be laid before us in general meeting financial statements and such other reports and accounts as may be required by law. We are also required to keep a register of mortgages and charges, which is open to inspection by any creditor or shareholder at all reasonable times.

We are not required to, but may, maintain our share register in the Cayman Islands. We are required to keep at our registered office a register of our directors and officers, which is not open for inspection by members of the public. Our registered office is located at 65 Market Street, Suite 1207, Camana Bay, P.O. Box 31110, Grand Cayman, KY1-1205, Cayman Islands.

Delaware law permits any shareholder to inspect or obtain copies of a corporation's shareholder list and its other books and records for any purpose reasonably related to such person's interest as a shareholder.

Transfer Agent and Registrar

The transfer agent and registrar for our Class A ordinary shares is BNY Mellon Shareowner Services. Its address is 480 Washington Boulevard, 29th Floor, Jersey City, NJ 07310 and its telephone number at this location is (201) 680-2464.

Listing

Our Class A ordinary shares are listed on the Nasdaq Global Select Market under the trading symbol GLRE.

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DESCRIPTION OF DEPOSITARY SHARES

The following description of the depositary shares sets forth the material terms and provisions of the depositary shares to which any prospectus supplement may relate. You should read the particular terms of any depositary shares and any depositary receipts that are offered by us, and any deposit agreement relating to a particular series of Class A ordinary shares or preferred shares, which will be described in more detail in an applicable prospectus supplement, which will also include a discussion of certain U.S. federal income tax considerations. The applicable prospectus supplement will also state whether any of the general provisions summarized below do not apply to the depositary shares being offered.

General

We may issue depositary shares that represent Class A ordinary shares or preferred shares. The Class A ordinary shares or preferred shares represented by depositary shares will be deposited under a deposit agreement between us and a bank or trust company selected by us and having its principal office in the United States and combined capital and surplus of at least \$50 million. Subject to the terms of the deposit agreement, each owner of a depositary share will be entitled, in proportion to the applicable Class A ordinary shares or preferred shares or fraction thereof represented by the depositary share, to all of the rights and preferences of the Class A ordinary shares or preferred shares represented thereby, including any dividend, voting, redemption, conversion and liquidation rights. The depositary shares will be evidenced by depositary receipts issued pursuant to the deposit agreement.

We may, at our option, elect to offer fractional shares of Class A ordinary shares or