CORPORATE GOVERNANCE GUIDELINES
OF
CASTLEPOINT HOLDINGS, LTD.

The Board of Directors (the "Board") of CastlePoint Holdings, Ltd. (the "Company") has adopted the following Corporate Governance Guidelines to promote the effective functioning of the Board and its committees, to further the interests of shareholders of the Company, and to establish a common set of expectations as to how the Board, its various committees, individual directors and management should perform their functions.

I. RESPONSIBILITIES OF THE BOARD

The Board is elected by and is accountable to the shareholders. The Board is primarily responsible for the strategic direction, oversight and control of the management of the Company for the benefit of the shareholders. The Board must exercise sound, informed and independent business judgment.

The Board's specific responsibilities include (i) reviewing, approving and monitoring fundamental financial and business strategies and major corporate actions; (ii) ensuring processes are in place for maintaining the integrity of the Company, including the integrity of the financial statements, the integrity of compliance with law and ethics, and the integrity of relationships with customers and others; (iii) assessing major risks facing the Company and reviewing options for their mitigation; and (iv) providing counsel and oversight with respect to the selection, evaluation, development and compensation of senior management.

The directors are to perform their duties in good faith in a manner they reasonably believe to be in the best interests of the Company and its shareholders and with the care a person in a like position would reasonably believe appropriate under similar circumstances. In discharging this obligation, directors should be entitled to rely on the honesty and integrity of the Company's senior executives and its outside advisors and auditors. It is the sense of the Board that the Board members should have thorough insight into the Company and the evolution of its management philosophy; they should oversee the evolution of that philosophy without becoming involved in the management implementation of it; and they should ensure that management is working to serve the Company's shareholders.

Directors are expected to attend and participate in Board meetings and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting should generally be distributed in writing to the directors before the meeting, and directors should review these materials in advance of the meeting. The Board's other responsibilities include:

The Board and each of its committees shall perform an annual evaluation under the direction of the Nominating and Corporate Governance Committee of its performance to determine whether it is operating effectively. The non-management directors should conduct an annual review of the performance of the President and Chief Executive Officer (the "CEO") based upon a formal evaluation process and specific criteria determined in advance.

II. RESPONSIBILITIES OF MANAGEMENT

The Board delegates to the CEO and the other executive officers the authority and responsibility for managing the business of the Company in a manner consistent with the Company's standards and practices and in accordance with the Board's specific plans, instructions and directions. Management must seek the continual advice and, in appropriate situations, approval of the Board with respect to the Company's activities.

III. DIRECTOR QUALIFICATIONS AND COMPOSITION OF THE BOARD

At least a majority of the members of the Company's Board shall be directors who meet the criteria for independence established by the Nasdaq Stock Market, Inc. ("Nasdaq") and the United States Securities and Exchange Commission (the "SEC"). The Board annually shall make a determination as to the independence of each director prior to his or her nomination for (re)election, which shall be disclosed to shareholders. Additionally, it is the Board's responsibility to make an affirmative determination that no director or nominee for director has a relationship that would interfere with that individual's exercise of his or her independent judgment in carrying out the responsibilities of a director.

The Board should be of a size sufficient to reflect the size and complexity of the Company's business and the need for diverse viewpoints. The Board should periodically review and change its size in light of changes in the Company's businesses, based on recommendations of the Nominating and Governance Committee.

The Nominating and Corporate Governance Committee is responsible for reviewing with the Board, on an annual basis, the requisite skills and characteristics of new Board members as well as the composition of the Board as a whole. This assessment will include members' qualifications as independent, the financial literacy requirement for members of the Audit Committee and the qualification of at least one member of the Audit Committee as an "audit committee financial expert" pursuant to SEC rules (as they same may be applicable to the Company), as well as considerations of diversity, skills, background and experience in the context of the needs of the Board.

Nominees for director shall be individuals who have the highest personal and professional integrity, who shall have demonstrated exceptional ability and judgment, and who shall be most effective, in conjunction with the other nominees to the Board, in collectively serving the long-term interests of the shareholders. The number of other public company boards on which a Board member may serve shall be subject to a case-by-case review by the Nominating and Corporate Governance Committee, in order to ensure that each Board member is able to devote sufficient time to perform his or her duties as a Board member. Nominees for directors will be selected by the Nominating and Corporate Governance Committee in accordance with the policies and principles in its charter. The Board as a whole will be responsible for nominating individuals for election to the Board by the shareholders and for filling vacancies on the Board that may occur between annual meetings of the shareholders. The Nominating and Corporate Governance Committee will be responsible for identifying, screening, and recommending candidates to the entire Board.

Directors are expected to inform the Nominating and Corporate Governance Committee in a timely manner of any material changes in their circumstances or relationships that may impact their designations as "independent" or their continued service on the Board due to potential or actual conflicts of interests situations.

IV. BOARD MEETINGS

The Board must have regularly scheduled periodic meetings in order to review and discuss management reports on the Company's performance, strategies, prospects and issues. Special meetings should be held as necessary. The Chairman of the Board, with the assistance of senior management, will establish the agenda for each Board meeting. Each Board member is free to raise at any Board meeting subjects that are not on the agenda for that meeting. The Secretary, or his or her designee, shall distribute the agenda and all other relevant information (subject to appropriate confidentiality concerns) pertaining to matters to be discussed at the upcoming Board meeting to all members of the Board sufficiently in advance of the meeting.

Directors are expected to bring to attention of the Chair of the Audit Committee any actual or potential conflict of interest of which they are aware related to the Company affairs. Any person, including a director, providing information on a matter to the Board has an affirmative obligation to disclose to the Board any actual or potential material conflict of interest that he or she may have at the time the matter is presented to the Board.

V. BOARD COMMITTEES

The Board of Directors will have, at all times, an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. Each member of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee shall be an independent director meeting all applicable criteria established by Nasdaq and the SEC. The Board shall appoint the members and the Chair of each committee. Each committee must have a written charter, approved by the Board, which describes the committee's general authority and responsibilities. Each committee will undertake an annual review of its charter, and will work with the Board to make such revisions as are considered appropriate.

The Chair of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings, consistent with any requirements set forth in the committee's charter. The Chair of each committee, in consultation with the appropriate members of the committee and senior management, will develop the committee's agenda for each meeting. At the beginning of the year, each committee will establish a schedule for general agenda subjects to be discussed during the year, subject to modification as appropriate throughout the year. Such schedule of each committee will be furnished to all directors.

The Board and each of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee shall have the authority to engage, at the Company's expense, independent, outside legal, financial or other advisors or consultants as they may deem necessary or appropriate to assist in their work, and to approve the fees of each such advisor or consultant and other retention terms without consulting or obtaining the approval of any officer of the Company in advance.

The Board may, from time to time, establish or maintain additional committees as necessary or appropriate.

VI. DIRECTOR ACCESS TO MANAGEMENT AND EMPLOYEES; EXECUTIVE SESSIONS

The Board should have complete and unfettered access to the management and employees of the Company (without management or management directors present) in order to ensure that directors can ask all questions and receive all information necessary to fulfill their duties. The Board may specify a protocol for making such inquiries. The Board should invite senior management and other Company personnel to attend relevant portions of Board and committee meetings. In addition, the independent directors must meet in executive session at least four times a year, and perhaps more frequently as they may deem necessary or appropriate, in conjunction with regularly scheduled board meetings. Any independent director who thinks an executive session of independent directors is desirable can so indicate to the Chairman of the Board and a meeting will be held.

VII. DIRECTOR COMPENSATION

The Board shall determine compensation for its members based on recommendations of the Compensation Committee after consideration of relevant factors, including the Board compensation paid by comparable entities. Members of management who are also directors will not receive additional compensation for their service on the Board.

Generally, it is expected that non-management directors will receive no direct or indirect compensation from the Company other than that described above. If a director anticipates receipt of any form of compensation from the Company other than that described above and such compensation raises any question regarding that director's independence under the applicable SEC or Nasdaq rules, the arrangements related to such compensation shall be fully disclosed to all members of the Board and executive management in advance and approved by the full Board of Directors in advance. Shareholder approval must be obtained for all equity-compensation plans, subject to certain limited exceptions, in accordance with the requirements of Nasdaq and applicable law.

VIII. TRANSACTIONS WITH DIRECTORS AND THEIR AFFILIATES

The Company does not engage in transactions with directors or their affiliates if a transaction would cast into doubt the independence of a director, would present even the appearance of a conflict of interest, or is otherwise prohibited by law, rule or regulation. This includes, directly or indirectly, any extension, maintenance or renewal of an extension of credit to any director or executive officer of the Company. This prohibition also includes significant business dealings with directors or their affiliates, substantial charitable contributions to organizations with which a director is affiliated, and consulting contracts with, or other indirect forms of compensation to, a director. The Board and the Audit Committee, as set forth in its charter, will conduct an appropriate review of all related party transactions on an ongoing basis. Related party transactions (including, without limitation, those with Tower Group, Inc. ("Tower"), which is a major shareholder and significant business partner of the Company, and transactions with any subsidiary or affiliate of Tower) must be approved by the Audit Committee. Compensation of the CEO and other executive officers who are affiliated with Tower or any subsidiary or affiliate of Tower must be approved by the Compensation Committee. Non-employee directors of the Company shall not own any shares of stock or other securities of Tower Group, Inc. or its subsidiaries (except the Company).

IX. BOARD COMMUNICATION WITH OUTSIDE PERSONS

The Board believes that the Company's management speaks for the Company, and in general the Chairman of the Board or the CEO shall be the spokesperson for the Company. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company. However, it is expected that Board members would do this with the knowledge of management and, absent unusual circumstances or as contemplated by the committee charters, only at the request of management and with the express advanced approval of the Board.

X. **CEO EVALUATION AND MANAGEMENT SUCCESSION**

The Board shall continuously and fairly appraise the CEO, including the CEO's effectiveness in managing the business, plans for the future and interest and concern for the Company's shareholders. The Compensation Committee will conduct an annual review of the CEO's performance as set forth in its charter. The Nominating and Corporate Governance Committee will oversee the processes by which the CEO and executive management are evaluated. The Board of Directors will review the Compensation Committee's report in order to ensure that the CEO is providing the best leadership for the Company.

The Nominating and Corporate Governance Committee should make an annual report to the Board on succession planning. The Company's succession plan will include appropriate contingencies in case the CEO retires or is incapacitated. The Board, with the assistance of the Nominating and Corporate Governance Committee, will identify, evaluate and recommend to the Board potential successors to the CEO, as appropriate. The CEO should at all times make available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

XI. DIRECTOR ORIENTATION AND CONTINUING EDUCATION

The Board should provide for each new director to participate in an orientation program, which will take place within a reasonable time after the annual meeting at which such director is first elected. As part of the continuing education for directors, at least annually the General Counsel will review with the directors the Company's compliance programs, its Code of Business Conduct and Ethics, these Corporate Governance Guidelines and the duties of directors under applicable laws, regulations and rules. The directors are encouraged to undertake such other educational efforts as they deem appropriate. Directors are expected to attend all scheduled Board and committee meetings and to be prepared for group deliberation and discussion. The Board should also establish a continuing education program for its members.

XII. COMMUNICATIONS WITH COMMITTEES

The Board must adopt procedures for the receipt and handling of concerns about Company's conduct, or about the Company's accounting, internal controls and procedures, disclosure controls and procedures or auditing matters, which must include measures to ensure the anonymity of the person expressing the concerns or the confidentiality of the concerns and to prevent retaliatory or other adverse action by management.

XIII. CODE OF BUSINESS CONDUCT AND ETHICS

The Board shall approve a Code of Business Conduct and Ethics for directors, officers and employees, which satisfies the requirements of Nasdaq and applicable law, rules and regulations, and which shall be publicly available if required by such applicable law, rules and regulations. Any revisions to, or waivers under, the Code of Business Conduct and Ethics must be reported to and, if the recipient of the waiver is an executive officer or director, approved by, the Board. If the Company is a reporting company under the U.S. Securities Exchange Act of 1934, as amended, the Company shall be required to disclose any such waiver, and the reasons therefor, in a Form 8-K within four business days. Such disclosure must be made at least annually in the case of ongoing waivers or waivers extending beyond one year.

XIV. PERIODIC REVIEW AND PUBLICATION

The Nominating and Corporate Governance Committee will review these Corporate Governance Guidelines annually (and more often if necessary) and will report to the Board any recommendation that it may have regarding modification of these Corporate Governance Guidelines. The Board may modify, suspend or rescind all or part of these Guidelines as it considers appropriate.

If the Company becomes publicly traded in the United States, the Company's Corporate Governance Guidelines and the charters of its Audit, Compensation, and Nominating and Corporate Governance Committees shall be made publicly available on the Company's website, and will be made available upon request to the Secretary of the Company.

Adopted: February 10, 2006