

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 13, 2018

JAMES RIVER GROUP HOLDINGS, LTD.

(Exact name of registrant as specified in its charter)

<u>Bermuda</u> (State or other jurisdiction of incorporation)	<u>001-36777</u> (Commission File Number)	<u>98-0585280</u> (IRS Employer Identification No.)
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<u>Wellesley House, 2nd Floor, 90 Pitts Bay Road, Pembroke Bermuda</u> (Address of principal executive offices)	<u>HM 08</u> (Zip Code)
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Registrant's telephone number, including area code: +1-441-278-4580

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

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

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

On April 13, 2018, James River Group, Inc. (“JRGI”), a wholly-owned subsidiary of James River Group Holdings, Ltd. (the “Company”), entered into a letter agreement (the “Letter Agreement”) with Dennis Johnson setting forth the terms of his employment in connection with Mr. Johnson’s transition to the role of Chief Underwriting Officer of Falls Lake National Insurance Company (“FLNIC”) and the Company’s other subsidiaries engaged in its specialty admitted insurance business. Until March 31, 2018, Mr. Johnson had served as President and Chief Executive Officer of JRG Reinsurance Company, Ltd. (“JRG Re”), the Company’s subsidiary engaged in casualty insurance.

The Letter Agreement, which is effective as of April 1, 2018, provides for a two year term ending March 31, 2020. It also provides for Mr. Johnson to receive a base salary of \$438,949 per year and be eligible to receive an annual discretionary bonus, which compensation was consistent with the terms of his employment while serving as President and Chief Executive Officer of JRG Re.

The Letter Agreement also provides that Mr. Johnson will be entitled to participate in all employee benefit plans and other fringe benefits or plans generally available to executive employees of JRGI and its subsidiaries, as well as reimbursement of reasonable costs for relocation to North Carolina, and up to \$2,500 per month on an after tax basis for housing expenses incurred by Mr. Johnson while living in North Carolina during the term of the agreement.

Pursuant to the Letter Agreement, in the event Mr. Johnson’s employment is terminated without cause by JRGI, by him for good reason (with the terms “cause” and “good reason” defined in the Letter Agreement), (a) before or 12 months or more after a “change in control” (as defined in the Letter Agreement), or if JRGI and Mr. Johnson do not enter into a written agreement pertaining to Mr. Johnson’s employment after the expiration of the term (an “Expiration Termination”), he shall be entitled to an amount equal to his base salary for a period of 18 months after the termination date, or (b) within 12 months after a change in control, Mr. Johnson shall be entitled to an amount equal to his base salary for a period of 30 months after the termination date, in each case paid in accordance with customary payroll. In the event of any such termination of Mr. Johnson’s employment by JRGI without cause, by him for good reason, or the occurrence of the Expiration Termination, he shall also be entitled to continuation of insurance coverage for a period of 18 months and payment of any unpaid discretionary cash bonus awarded to him for the year prior to which any such termination occurs. The payment of the foregoing benefits is contingent upon Mr. Johnson’s compliance with certain post-employment confidentiality and non-compete and non-solicitation requirements set forth in the Letter Agreement. To the extent that such obligations are breached by Mr. Johnson, the benefits will terminate, and Mr. Johnson will be obligated to repay any such amounts.

Simultaneously with his entry into the above described Letter Agreement, Mr. Johnson entered into a Termination of Employment Agreement (the "Termination Agreement") with JRG Re providing for the termination of Mr. Johnson's employment agreement, dated January 17, 2018, with JRG Re in connection with his transition to Chief Underwriting Officer of FLNIC and the Company's other subsidiaries engaged in its specialty admitted insurance business.

The foregoing descriptions of each of the Letter Agreement and the Termination Agreement are qualified in their entirety by reference to the Letter Agreement and Termination Agreement, which are filed as Exhibits 10.1 and 10.2 hereto, respectively, and are incorporated, herein by reference.

Item 9.01. Financial Statements and Exhibits.

[10.1 Letter Agreement, dated April 13, 2018, between James River Group, Inc. and Dennis Johnson](#)

[10.2 Termination of Employment Agreement, dated April 13, 2018, between JRG Reinsurance Company, Ltd. and Dennis Johnson](#)

SIGNATURES

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

JAMES RIVER GROUP HOLDINGS, LTD.

Dated: April 16, 2018

By: /s/ Sarah C. Doran
Sarah C. Doran
Chief Financial Officer

Exhibits

Exhibit No.	Description
<u>10.1</u>	<u>Letter Agreement, dated April 13, 2018, between James River Group, Inc. and Dennis Johnson</u>
<u>10.2</u>	<u>Termination of Employment Agreement, dated April 13, 2018, between JRG Reinsurance Company, Ltd. and Dennis Johnson</u>

James River Group, Inc.
1414 Raleigh Road, Suite 405,
Chapel Hill, NC 27517

April 13, 2018

Mr. Dennis Johnson

Dear Dennis:

The purpose of this letter (the "Agreement") is to confirm the terms of your employment by James River Group, Inc. (the "Parent Company") to serve as Chief Underwriting Officer of the Specialty Admitted Segment ("CUO") of Parent Company subsidiaries Stonewood Insurance Company ("SIC"), Falls Lake Insurance Management Company, Inc. ("FLIMCO"), Falls Lake National Insurance Company (formerly Stonewood National Insurance Company), Falls Lake General Insurance Company, and Falls Lake Fire and Casualty Company (together, the "Companies"). In consideration of the mutual promises contained in this Agreement, the parties to this Agreement hereby agree as follows:

1. EMPLOYMENT AND TERM. Effective as of April 1, 2018 (the "Effective Date"), the Companies each agrees to employ you (the "Executive") as its CUO, and Executive hereby accepts such employment on the terms hereinafter set forth. The term of this Agreement shall commence as of the Effective Date, and this Agreement will expire, and your employment with the Companies will end, on March 31, 2020, subject to the termination provisions of Section 6. The period from the Effective Date until March 31, 2020, shall hereafter be referred to as the "Term."

2. COMPENSATION.

(a) Salary. Executive shall be paid a base salary of not less than four hundred thirty eight thousand nine hundred forty nine dollars (\$438,949) per year, payable in periodic installments by FLIMCO in accordance with its normal payroll practices.

(b) Bonus. For each fiscal year during the Term in which Executive is employed by the Company as of the last day of such fiscal year, Executive shall be eligible to receive a discretionary bonus (each, a "Bonus") in an amount as the Board of Directors of the Parent Company (the "Board") (other than Executive, if Executive is a member of the Board), in its discretion, may determine based on Executive's performance during such fiscal year. Any Bonus awarded for a fiscal year shall be paid by FLIMCO at the time or times provided by the Parent Company bonus plan in effect for such fiscal year.

(c) Vacation, Benefits. During the Term Executive shall also be entitled to participate in all employee benefit plans, to other fringe benefits generally available to executive employees of the Parent Company and its subsidiaries at the employer's expense. Executive will be entitled to a total of four (4) weeks of paid vacation per annum (not subject to carry over to subsequent years), which will be pro-rated for the first and last year of the Term;

(d) Expense Reimbursements. Executive will be entitled to business expense reimbursement for all reasonable business expenses upon the presentation of reasonably itemized statements of such expenses in accordance with the Companies' policies and procedures. FLIMCO shall reimburse Executive for up to \$2,500 per month on after tax basis for Executive's "Housing Expense." For purposes of this provision, "Housing Expense" means the rent and all utility expenses paid by Executive for a residence in Raleigh, North Carolina for each month during the Term in which Executive resides in such residence, provided that Executive provides a copy of the lease and any other documentation relating to such rent and utility payments as requested by the Company. FLIMCO shall also reimburse Executive for all documented, reasonable moving expenses incurred in connection with Executive's relocation to North Carolina. Such Housing Expense and relocation expense reimbursement payments will be made by the end of the month following the month in which documentation of rent and other payments are provided to FLIMCO. The amount of any expenses eligible for reimbursement during any tax year of Executive shall not affect the expenses eligible for reimbursement in any other tax year. The right to reimbursement provided in this Agreement is not subject to liquidation or exchange for another benefit. In no event shall the reimbursement of an eligible expense occur later than the end of the calendar year following the calendar year in which such expense was incurred.

(e) Withholdings and Deductions. All payments and compensation under this Agreement shall be subject to all required federal, state and local withholdings and deductions, and such deductions as Executive may instruct FLIMCO to take that are authorized by applicable law.

(f) Claw-Back. Executive acknowledges that to the extent required by applicable law or written company policy adopted by the Board to implement the requirements of such law (including without limitation Section 304 of the Sarbanes Oxley Act and Section 954 of the Dodd Frank Act), any bonus and other incentive compensation (if any) shall be subject to any clawback, forfeiture, recoupment or similar requirement ("Clawback Rights") as the Board may determine in its sole discretion is necessary or desirable to implement such law or policy. The Company may only exercise Clawback Rights with respect to any bonus and other incentive compensation received during the three completed fiscal years immediately preceding the date on which the Company is required to prepare an accounting restatement and, if applicable, any transition period resulting from a change in fiscal year within or immediately following the three completed fiscal years.

3. DUTIES. Executive shall report exclusively and directly to the Chief Executive Officer of the Companies (“CEO”). Executive shall perform all duties normally associated with the position of CUO, and such other reasonable duties as may be assigned to him by the CEO. Executive will devote his entire working time, attention, and energies to carrying out and fulfilling his duties and responsibilities under this Agreement. Executive agrees to abide by all policies applicable to employees of the Parent Company and the Companies adopted by their respective boards of directors. Executive shall primarily perform his duties in the Companies’ Raleigh, North Carolina offices, and Executive shall relocate to Raleigh within a reasonable time after the Effective Date. Executive represents that he is able and willing to engage routine business travel as is necessary to perform his duties as CUO and to further the Parent Company’s and the Companies’ business interests.

4. CONFIDENTIAL INFORMATION AND PRIVILEGED INFORMATION.

(a) Executive will not at any time during the Term or thereafter:

(i) reveal, divulge, or make known to any person, firm, or corporation or use for his personal benefit or the benefit of others (except the Companies, the Parent Company, James River Group Holdings, Ltd. (“Holdings”), and any of Holdings’ other direct or indirect subsidiaries (hereinafter referred to as “Affiliates,” and all of the foregoing, the “Holdings Group”)), directly or indirectly, any confidential or proprietary information received or developed by him during the course of his employment. For the purposes of this Section 4(a)(i) confidential and proprietary information (“Confidential Information”) shall be defined to mean (1) all historical and pro forma projections of loss ratios incurred by the Holdings Group; (2) all historical and pro forma actuarial data relating to the Holdings Group; (3) historical and pro forma financial results, revenue statements, and projections for the Holdings Group; (4) all information relating to the Holdings Group’s systems and software (other than the portion thereof provided by the vendor to all purchasers of such systems and software); (5) all information relating to SIC’s unique underwriting approach; (6) all information relating to plans for, or internal or external discussions regarding, acquisitions of or mergers with any business or line of business; (7) non-public business plans; (8) all other information relating to the financial, business, or other affairs of the Holdings Group including their customers; and (9) any information about any shareholder of Holdings or any of its Affiliates, or any of their officers or employees, that has been furnished or made available to Executive as a result of his position with the Companies. Section 4(a)(i) shall not apply to Executive following the termination of his employment with the Parent Company and the Companies with respect to any Confidential Information known or made generally available to the general public or within the industry by persons other than Executive or a person acting with or at the request of Executive; or

(ii) reveal, divulge, or make known to any person, firm, or corporation, or use for his personal benefit or the benefit of others (except the Holdings Group), directly or indirectly, the name or names of any Customers (as defined in Section 5 below) of the Holdings Group, nor will he reveal, divulge, or make known to any person, firm, or corporation or use for his personal benefit or the benefit of others (except the Holdings Group), directly or indirectly, any trade secrets or any knowledge or information concerning any business methods or operational procedures engaged in by the Holdings Group (collectively, “Privileged Information”); provided, however, the restrictions set forth in this Section 4(a)(ii) shall not apply to Executive following the termination of his employment with the Parent Company and the Companies with respect to any Privileged Information known or made generally available to the general public or within the industry by persons other than Executive or a person acting with or at the request of Executive.

(b) Notwithstanding any provision of this Agreement to the contrary, under 18 U.S.C. §1833(b), “An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.” Nothing in this Agreement or any other policy of the Companies is intended to conflict with this statutory protection, and no director, officer, or member of management has the authority to impose any rule to the contrary.

5. NON-COMPETITION.

(a) Executive acknowledges and agrees that as the Companies’ CUO (i) he will be responsible for and directly involved in developing goodwill and relationships for the benefit of the Companies with Agents, Customers, and Fronting/Program Business Relationships (all as defined below), including personal contact with Agents, Customers, and Fronting/Program Business Relationships, and supervising others who develop and maintain Agent, Customer, and Fronting/Program Business Relationship goodwill and relationships; (ii) he will be provided and have access to the Holdings Group’s Confidential Information and Privileged Information, and will be compensated for the development, and supervising the development, of the same; (iii) he will be responsible for and directly involved in developing goodwill and relationships for the benefit of the Holdings Group with Fronting/Program Business Relationships; and (iv) he will have unique insight into and knowledge of the skills, talents and capabilities of the Companies’ key employees. Executive also acknowledges and agrees that at the inception of his employment with the Companies it was agreed that he would be bound by noncompetition restrictions.

(b) Executive agrees that during his employment by the Parent Company and the Companies he will not compete against the Holdings Group in any manner, including without limitation by engaging in, or by assisting any other person or entity to engage in, or by having an ownership interest in, any Competitive Business (as defined below) in the Territory (as defined below), or by engaging in any conduct described in clauses (b)(i), (ii), (iii), (iv), (v), (vi), (vii) or (viii) below. Executive further agrees that after his employment by the Parent Company and the Companies ends, he will not during the Restricted Period (as defined below):

(i) be employed in any management, underwriting, or customer relationship capacity by any insurance company that engages in Competitive Business in the Territory (as defined below) to provide services to or on behalf of such insurance company in the Territory that compete with the Companies’ products or services;

(ii) be employed in any management, underwriting, or customer relationship capacity by any entity that was a Fronting/Program Business Relationship during the Final Year to provide services to or on behalf of such Fronting/Program Business Relationship in the Territory;

(iii) solicit any entity that was a Fronting/Program Business Relationship during the Final Year to produce, underwrite and/or administer insurance policies in the Territory on behalf of an insurance company that competes against any of the Companies or any Protected Holdings Group Company in the Territory;

(iv) solicit any Customer to buy any insurance products or services offered in the Territory by the Companies during the Final Year;

(v) solicit any Prospective Customer to buy any insurance products or services offered in the Territory by the Companies during the Final Year;

(vi) solicit any Agent doing business in the Territory (A) to assist any individual or entity who was a customer of the Companies during the Final Year to obtain any insurance products or services that compete with any insurance products and services offered by the Companies in the Territory, or (B) to make referrals on behalf of such customers with respect to such insurance products or services that compete with any insurance products and services offered by the Companies in the Territory;

(vii) induce or persuade any Agent, Customer or Fronting/Program Business Relationship not to do business with, or to switch business from, or reduce business with, the Companies or any Protected Holdings Group Company; or

(viii) solicit, or assist others in soliciting, Key Employees (as defined below) to either leave the Companies or to engage in a Competitive Business.

(c) For purposes of this Agreement, the following capitalized terms shall have the meanings set forth below:

(i) “Agent” shall mean any insurance agent, insurance broker, wholesale agent, general agent, or other person (A) who acted on behalf of any customer of the Companies to obtain insurance from the Companies, or who referred any insurance business to the Companies, during the Final Year, and (B) with respect to which either Executive had (I) Confidential Information or Privileged Information or (II) account responsibility either directly or through managing employees with such account responsibility.

(ii) “Competitive Business” shall mean the insurance business of acquiring, holding, and/or underwriting (A) individual risk workers’ compensation insurance, or (B) other specialty admitted fronting/program insurance business.

(iii) “Customer” shall mean any of the customers of the Companies who purchased insurance products that were in effect in the Final Year from, or were provided services by, the Companies, and both (A) were among the Companies’ 100 largest clients (in terms of aggregate premium payments to the Companies) during the Final Year, and (B) with respect to which Executive had relationship responsibilities or direct contact, or access to Confidential Information or Privileged Information relating to the customer.

(iv) “Final Year” means the twelve month period immediately preceding Executive’s last day of employment with the Parent Company and the Companies.

(v) “Fronting/Program Business Relationship” means a general managing agent or program administrator that has a contractual relationship with any of the Companies or any Protected Holdings Group Company to produce, underwrite and/or administer insurance policies on behalf of such company.

(vi) “Key Employees” shall mean any executive, managerial, sales, marketing, or supervisory level employees of the Companies under Executive’s direct or indirect management authority during the Final Year.

(vii) “Prospective Customer” shall mean any potential customer of the Companies who was actually engaged in discussions with any of the Companies during the Final Year (either directly or through an Agent) to purchase insurance products or services from the Companies, and both (A) would have been among the Companies’ 100 largest clients on an annualized basis (in terms of aggregate premium payments to the Companies) had the insurance been purchased, and (B) Executive was actively involved in such discussions, provided, however, a Prospective Customer does not include any such potential customer that decided to discontinue discussions with the Companies, and notified the Companies of that decision, before Executive’s last day of employment.

(viii) “Protected Holdings Group Company” shall mean any Holdings Group insurance company (other than the Companies) that: (A) was a party to a contractual relationship with a Fronting/Program Business Relationship in effect in the Final Year; and (B) Executive was involved in obtaining such contractual relationship with such Holdings Group company.

(ix) “Restricted Period” shall mean the eighteen (18) month period immediately following the Termination Date.

(x) “Territory” shall mean, (A) with respect to clauses (b)(i), (iv), (v) and (vi) above, each and every state or other United States jurisdiction (“State(s)”) where any of the Companies is authorized to underwrite, and was actually engaged in underwriting during the Final Year, individual risk workers’ compensation insurance or other specialty admitted fronting/program insurance business; and (B) with respect to clauses (b)(ii) and (iii) above, each and every State where any of the Companies or a Protected Holdings Group Company is authorized to underwrite insurance, and was actually engaged in underwriting insurance through a Fronting/Program Business Relationship during the Final Year.

(d) The restrictions contained in this Section 5 shall not prevent: (i) the ownership by Executive of not more than three percent (3%) of the securities of any class of any corporation, whether or not such corporation is engaged in any Competitive Business, which are publicly traded on any securities exchange or any “over the counter” market; or (ii) after Executive’s employment by the Parent Company and the Companies ends, Executive’s being employed by a subsidiary or division of an insurance company that engages in Competitive Business as long as both (A) such subsidiary or division does not engage in Competitive Business in the Territory, and (B) Executive does not provide services to or assist the subsidiaries or divisions of such company that engage in Competitive Business in the Territory.

6. TERMINATION. Executive’s employment hereunder shall terminate under the following circumstances:

(a) Termination for Cause. The Parent Company may terminate the employment of Executive for Cause at any time by providing written notice to Executive specifying the cause of the termination. For the purposes of this Agreement, “Cause” means that: (i) Executive willfully violated Sections 4 or 5 of this Agreement; (ii) Executive grossly neglected his duties hereunder; (iii) Executive was convicted of a felony or a crime involving moral turpitude (meaning a crime that includes the commission of an act of depravity, dishonesty, or bad morals); (iv) Executive has committed an act of dishonesty, fraud, or embezzlement against any entity in the Holdings Group; (v) Executive willfully and/or knowingly breached this Agreement in any material respect or willfully violated the Parent Company’s or the Companies’ written policies which have been provided to him; or (vi) Executive willfully failed or refused to follow the lawful instructions of the CEO that are consistent with this Agreement (“Insubordination”). In the event that the Parent Company provides written notice of termination for Cause pursuant to Section 6(a)(ii) or (vi), Executive shall be entitled to cure any alleged neglect of his duties or Insubordination, to the extent curable, within thirty (30) days of receiving written notice from the Company specifying the factual basis for its belief that Executive grossly neglected his duties hereunder or engaged in Insubordination. If Executive is terminated for Cause, Executive’s compensation shall terminate on the date of such termination, and all equity awards, whether vested or unvested at that time, shall be immediately forfeited and canceled effective as of the date of such termination.

(b) Company Termination Without Cause. The Parent Company may terminate Executive at any time without Cause, with or without prior notice.

(c) Termination by Executive for Good Reason. Executive may, at his option, terminate this Agreement for Good Reason in accordance with the terms of this Section 6(c). “Good Reason” shall mean the occurrence of any one or more of the following events without the prior consent of Executive:

- (i) A material diminution in Executive's authority, duties or responsibilities, or requiring Executive to report directly to a person or persons other than the CEO;
- (ii) A diminution in Executive's Base Salary; or
- (iii) Any action or inaction by the Parent Company or the Companies which constitutes a material breach of the terms of this Agreement;

and, in each case, the failure by the Parent Company or the Companies, as applicable, to cure such condition within the thirty (30) day period after receipt of written notice from Executive specifying in detail the factual basis for his belief that he has Good Reason to resign ("Good Reason Notice"). Executive must deliver a Good Reason Notice to the Parent Company and the Companies within thirty (30) calendar days after the initial existence of a Good Reason condition, and, if the Parent Company or the Companies, as applicable, fails to timely cure such Good Reason condition, Executive must terminate his employment within one year after the initial existence of such Good Reason condition, and any failure by Executive to timely comply with either of these requirements shall constitute a waiver of Executive's right to resign for Good Reason for such condition.

(d) Termination due to Death or Disability. Executive's employment hereunder shall terminate upon his death. The Parent Company may terminate Executive's employment if he is prevented from performing his responsibilities under this Agreement because of "Disability." A "Disability" means that Executive is unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under an accident or disability insurance benefit plan covering Executive ("Disability Plan"). If Executive is unable to perform his responsibilities, by reason of any accident, illness, or mental or physical impairment, for a period that is reasonably anticipated by the Parent Company to be longer than the waiting period in the Disability Plan, then, at the Parent Company's request, Executive shall promptly apply for such income replacement benefits.

(e) Expiration of Term. If the parties have not executed a written agreement applicable to Executive's employment after the expiration of the Term, then the Executive's employment shall terminate on the last day of the Term ("Expiration Termination").

7. COMPENSATION AND BENEFITS UPON TERMINATION.

(a) If, during the Term, the Parent Company terminates Executive's employment without Cause, there is an Expiration Termination, or Executive terminates his employment for Good Reason, then:

(i) as soon as practicable following such termination but no later than ten (10) days after the Termination Date (as defined below), FLIMCO shall pay to Executive his accrued but yet unpaid base salary earned through the Termination Date and any accrued, but unused vacation pay through the Termination Date (the "Accrued Obligations");

(ii) within forty-five (45) days following the Termination Date, FLIMCO shall reimburse Executive for reasonable expenses incurred, but not paid prior to the Termination Date;

(iii) subject to the execution and delivery of a general release (which release shall not alter or result in the waiver of Executive's right to exercise the portion of any stock option or other equity award that vested through the Termination Date, or any rights under this Section 7(a)) in a form acceptable to the Parent Company within forty five (45) days after the Termination Date (the "Release Expiration Date"), which release has not been revoked, Executive is entitled to receive:

(A) (I) In the event of a termination without Cause or for Good Reason (x) before or 12 months or more after a Change in Control (as defined in Section 7(d)), an amount equal to Executive's base salary for a period of eighteen (18) months after the Termination Date, or (y) within twelve (12) months after a Change in Control, an amount equal to Executive's base salary for a period of thirty (30) months after the Termination Date, or (II) in the event of an Expiration Termination, an amount equal to Executive's base salary for a period of eighteen (18) months after the Termination Date, which, in any case shall be paid in periodic installments in accordance with FLIMCO's normal payroll practices in effect as of the Termination Date commencing on the first payroll cycle which is at least ten (10) business days after the 45th day after the Termination Date;

(B) the continuation of coverage under all employee benefit insurance plans in which Executive was a participant as of the Termination Date, to the extent such post-employment coverage is authorized by such plans, at FLIMCO's expense for the period of eighteen (18) months after the Termination Date, provided, however if post-employment coverage is not authorized under such health insurance plan, then FLIMCO will pay Executive the premium cost for health insurance coverage that FLIMCO would have paid if Executive had continued being a participant in such health insurance plan during that 18 month period; and

(C) any unpaid discretionary bonus awarded to Executive for the year prior to the year in which the Termination Date occurs, which shall be paid in a lump sum on the normal bonus payment date for Parent Company bonuses for such preceding fiscal year.

(iv) In the event that Executive fails to execute the Release on or prior to the Release Expiration Date, Executive shall not be entitled to any payments or benefits pursuant to Section 7(a)(iii). Notwithstanding the foregoing, if the Release could become effective during the calendar year following the calendar year of the Termination Date, then no such payments that constitute “deferred compensation” under Internal Revenue Code Section 409A shall be made earlier than the first day of the calendar year following the calendar year of the Termination Date.

(b) If Executive’s employment is terminated as a result of death or by the Parent Company for Cause or because of Disability:

(i) within ten (10) days following the Termination Date, FLIMCO shall pay to Executive the Accrued Obligations; and

(ii) within forty-five (45) days following the Termination Date, FLIMCO shall reimburse Executive for reasonable expenses incurred, but not paid prior to the Termination Date.

(c) Except for payments provided under Sections 7(a)(i), 7(a)(ii), and 7(b), all compensation and benefits paid pursuant to this Section 7 shall cease and Executive shall promptly return any amount paid under Section 7(a)(iii) to FLIMCO if Executive violates any of the terms of Sections 4 or 5 above during the Restricted Period. In addition to these remedies, the Parent Company, the Companies and the Holdings Group shall have all other remedies provided by this Agreement and by law for the breach of Sections 4 or 5 above.

(d) For purposes of this Agreement, “Termination Date” means the date of Executive’s “separation from service” within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”), and the regulations promulgated thereunder (“Section 409A”). For purposes of this Agreement, “Change in Control” means (and, for purposes of this definition only, capitalized terms have the meaning defined in the James River Group Holdings, Ltd. 2014 Long-Term Incentive Plan, as amended) the first to occur of the following events:

- i. the purchase or other acquisition (other than from the Company), in a single transaction or series of related transactions, by any person, entity or group of persons, within the meaning of Section 13(d) or 14(d) of the Exchange Act (excluding, for this purpose, the Company or its subsidiaries or any employee benefit plan of the Company or its subsidiaries), of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Act) of 50% or more of either the then-outstanding Shares or the combined voting power of the Company’s then-outstanding voting securities entitled to vote generally in the election of directors;
- ii. consummation of a reorganization, merger, amalgamation or consolidation involving the Company, in each case with respect to which persons who were the shareholders of the Company immediately prior to such reorganization, merger, amalgamation or consolidation do not, immediately thereafter, own more than 50% of, respectively, the Shares and the combined voting power entitled to vote generally in the election of directors of the reorganized, merged, amalgamated or consolidated corporation’s then-outstanding voting securities; or

iii. a liquidation or dissolution of the Company, or the sale of all or substantially all of the assets of the Company; provided, however, an event described above shall be considered a Change in Control hereunder only if it also constitutes a “change in control event” under Section 409A of the Code, to the extent necessary to avoid the adverse tax consequences thereunder with respect to any payment subject to Section 409A of the Code.

(e) Executive’s rights with respect to the vesting and exercise after the Termination Date, of any stock option or vesting of any other equity award shall be governed by any applicable award agreement and the James River Group Holdings, Ltd. Long-Term Incentive Plan, as amended.

8. 409A COMPLIANCE. This Agreement shall be interpreted and administered in a manner so that any amount or benefit payable hereunder shall be paid or provided in a manner that is either exempt from or compliant with the requirements Section 409A and applicable Internal Revenue Service guidance and Treasury Regulations issued thereunder (and any applicable transition relief under Section 409A). Notwithstanding anything else contained in this Agreement to the contrary, if Executive is a “specified employee” under Holdings’ specified employee policy as in effect on the Termination Date, or if no such policy is then in effect, within the meaning of Section 409A, any payment required to be made to Executive hereunder upon or following the Termination Date shall be delayed until after the six-month anniversary of Executive’s “separation from service” (as such term is defined in Section 409A) to the extent necessary to comply with, and avoid imposition on Executive of any additional tax, interest, or penalty imposed under, Section 409A. Should payments be delayed in accordance with the preceding sentence, the accumulated payment that would have been made but for the period of the delay shall be paid in a single lump sum during the ten (10) day period following the six-month anniversary of the Termination Date. Each payroll period payment described in Section 7(a)(iii)(A) shall be treated as a separate payment for purposes of Section 409A.

9. UNIQUENESS OF SERVICES; ACKNOWLEDGEMENTS. Executive acknowledges that the services to be rendered under the provisions of this Agreement are of a special, unique, and extraordinary character; involve access to and development of Confidential Information and Privileged Information; involve developing and protecting customer relationships and goodwill; and that it would be difficult or impossible to replace such services and that, by reason thereof, Executive agrees and consents that if he violates any of the provisions of Sections 4 and 5 of this Agreement, the Parent Company, the Companies and/or any entity in the Holdings Group, in addition to any other rights and remedies available under this Agreement or otherwise, shall be entitled to an injunction to be issued by a court of competent jurisdiction restricting Executive from committing or continuing any violation of Sections 4 and 5 of this Agreement.

10. FURTHER ACKNOWLEDGEMENTS. Executive further acknowledges and agrees that the restrictions contained in Sections 4 and 5 above are reasonable and necessary to protect the legitimate interest of the Holdings Group, in view of, among other things, the short duration of the restrictions; the narrow scope of the restrictions; the Holdings Group's interests in protecting its trade secrets, Confidential Information, and Privileged Information (which Executive agrees would be useful to competitors for more than eighteen (18) months) and its customer relationships and goodwill; Executive's background and capabilities which will allow him to seek and accept employment without violation of the restrictions; and Executive's entitlements under this Agreement. If any provision contained in Sections 4 or 5 above is adjudged unreasonable by a court of competent jurisdiction or arbitrator in any proceeding, then such provision shall be deemed modified as provided in Sections 4 or 5 above or by reducing the scope of such provision, the period of time during which such provision is applicable and/or the geographic area to which such provision applies, to the extent necessary for such provision to be adjudged reasonable and enforceable.

11. NOTICES. Any notices provided for or permitted by this Agreement shall be in writing and shall be deemed to have been duly given when delivered in person or three (3) days after it is mailed if delivered by registered or certified mail, return receipt requested, postage prepaid, addressed to the party for whom intended at such party's address set forth above (for the Parent Company) or to the address listed in the Parent Company's records (for Executive), or to such other address as such party may designate by notice in writing given in the manner provided herein.

12. SECTION HEADINGS. The section heading in this Agreement are for convenience of reference only, and they form no part of this Agreement and shall not affect its interpretation.

13. ENTIRE AGREEMENT; AMENDMENTS; COUNTERPARTS. This Agreement constitutes the entire agreement and understanding among Executive, the Parent Company and the Companies with respect to the subject matter hereof and shall supersede any and all other prior agreements and understandings, whether oral or written, relating thereto or the employment of Executive by the Parent Company and the Companies. This Agreement may not be rescinded, modified, or amended, unless an amendment is agreed to in a writing signed by Executive and by an officer of the Parent Company specifically authorized by the Board (other than Executive), and any waiver shall be set forth in writing and signed by the party to be charged. This Agreement may be executed in any number of counterparts, including by facsimile, each of which shall be an original, but all of which together shall constitute one and the same instrument.

14. PARTIAL INVALIDITY. The invalidity or unenforceability, by statute, court decision, or otherwise, of any term or condition of this Agreement shall not affect the validity or enforceability of any other term or condition hereof.

15. GOVERNING LAW. This Agreement shall be construed and administered in accordance with the laws of North Carolina, without regard to the principles of conflicts of law which might otherwise apply.

16. ASSIGNABILITY. This Agreement may not be assigned by Executive, and any purported assignment by Executive shall be null and void. All of the terms and conditions of this Agreement shall be binding upon and inure to the benefit of the Parent Company and its successors (including without limitation any successor to the Parent Company's business as the result of a merger or consolidation of the Parent Company, whether or not the Parent Company survives such merger or consolidation) and assigns. Successors to the Company shall include, without limitation, any corporation or corporations acquiring, directly or indirectly, all or substantially all of the assets of the Parent Company whether by merger, consolidation, purchase, or otherwise and such successor shall thereafter be deemed the "Parent Company" for purposes hereof.

17. DISPUTE RESOLUTION.

(a) Arbitration. In the event of disputes between the parties with respect to the terms and conditions of this Agreement, such disputes shall be resolved by and through an arbitration proceeding to be conducted under the auspices of the American Arbitration Association (or any like organization successor thereto) in Raleigh, North Carolina; provided, however, that either party may seek temporary or preliminary injunctive relief with respect to appropriate matters (including, without limitation, enforcement of Sections 4 and 5 above) from a court in aid of arbitration. Such arbitration proceeding shall be conducted pursuant to the commercial arbitration rules (formal or informal) of the American Arbitration Association in as expedited a manner as is then permitted by such rules (the "Arbitration"). Both the foregoing agreement of the parties to arbitrate any and all such claims, and the results, determination, finding, judgment, and/or award rendered through such Arbitration, shall be final and binding on the parties to this Agreement and may be specifically enforced by legal proceedings.

(b) Procedure. Such Arbitration may be initiated by written notice from either the Parent Company or Executive to the other which shall be a compulsory and binding proceeding on each party. The Arbitration shall be conducted by an arbitrator selected in accordance with the procedures of the American Arbitration Association. Time is of the essence of this arbitration procedure, and the arbitrator shall be instructed and required to render his or her decision within thirty (30) days following completion of the Arbitration.

(c) Venue and Jurisdiction. Any action to compel arbitration hereunder or otherwise relating to this Agreement shall be brought exclusively in either a state court or federal court located in Raleigh, North Carolina, provided that, with respect to an action brought in North Carolina, if a federal court has jurisdiction over the subject matter thereof, then such action shall be brought in federal court, and the Parent Company, the Companies and Executive hereby irrevocably submit with regard to any such action or proceeding for itself and in respect to its property, generally and unconditionally, to the jurisdiction of the aforesaid courts.

(d) Waiver of Jury Trial. IN THE EVENT OF ANY LITIGATION WITH RESPECT TO ANY MATTER CONNECTED WITH THIS AGREEMENT OR THE AGREEMENTS OR TRANSACTIONS CONTEMPLATED HEREUNDER ALL OF THE PARTIES HERETO WAIVE ALL RIGHTS TO A TRIAL BY JURY.

Kindly indicate your acceptance of this Agreement by signing and returning a copy of this letter to me.

Very truly yours,

James River Group, Inc.

By: /s/ Robert P. Myron
Name: Robert P. Myron
Title: CEO

ACCEPTED AND AGREED TO THIS 13th DAY OF APRIL, 2018

Stonewood Insurance Company

By: /s/ Sarah C. Doran
Name: Sarah C. Doran
Title: Chairman

Falls Lake Insurance Management Company, Inc.

By: /s/ Sarah C. Doran
Name: Sarah C. Doran
Title: Chairman

Falls Lake National Insurance Company

By: /s/ Sarah C. Doran
Name: Sarah C. Doran
Title: Chairman

Falls Lake General Insurance Company

By: /s/ Sarah C. Doran
Name: Sarah C. Doran
Title: Chairman

Falls Lake Fire and Casualty Company

By: /s/ Sarah C. Doran

Name: Sarah C. Doran

Title: Chairman

/s/ Dennis R. Johnson

Dennis Johnson

TERMINATION OF EMPLOYMENT AGREEMENT

WHEREAS, Dennis Johnson (“Executive”) and JRG Reinsurance Company, Ltd. (the “Company”) entered into an employment agreement dated January 17, 2018 (the “Agreement”); and

WHEREAS, the Company and James River Group, Inc. are subsidiaries of James River Group Holdings, Ltd., and Executive, the Company and James River Group, Inc. mutually agreed that, effective as of the close of business on March 31, 2018 (“Termination Date”), Executive ceased to serve as President and Chief Underwriting Officer of the Company, and effective April 1, 2018, Executive began to serve as Chief Underwriting Officer of the Specialty Admitted Segment of James River Group, Inc. subsidiaries Stonewood Insurance Company, Falls Lake Insurance Management Company, Inc., Falls Lake National Insurance Company, Falls Lake General Insurance Company, and Falls Lake Fire and Casualty Company (collectively, those subsidiaries are referred to as the “Companies”), which employment is subject to an employment agreement among Executive, James River Group, Inc. and the Companies,

NOW, THEREFORE, the Agreement is terminated by mutual agreement as of the Termination Date as follows:

1. All capitalized terms in this “Termination Agreement” not otherwise defined herein have the meanings defined in the Agreement.
 2. Executive’s employment by the Company ceased, and the Agreement terminated, on the Termination Date.
 3. The termination of Executive’s employment with the Company will be treated in the same manner as if Executive had died on the Termination Date, and Executive will be paid compensation and benefits pursuant to Section 7(b) of the Agreement, except that Executive will not be paid for unused vacation accrued through the Termination Date, but rather such unused accrued vacation may be used by Executive during his employment with James River Group, Inc. and the Companies.
 4. The provisions of Sections 4, 5, 9, 10, 11, 12, and 14 - 17 of the Agreement will remain in full force and effect after the Termination Date.
 5. This Termination Agreement shall be governed by, and construed and administered in accordance with, the laws of Bermuda without regard to the principles of conflicts of law which might otherwise apply.
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IN WITNESS WHEREOF, the parties have executed this Termination Agreement on this 13th day of April, 2018.

JRG Reinsurance Company, Ltd.

By: /s/ Helen Gillis

Name: Helen Gillis

Title: CFO

Dennis Johnson

/s/ Dennis R. Johnson
