AXIS CAPITAL HOLDINGS LTD
Form DEF 14A
March 29, 2017
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

AXIS CAPITAL HOLDINGS LIMITED

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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Notice of Annual General Meeting

of Shareholders and

2017 Proxy Statement

Your vote is important

Please vote by using the Internet, the telephone,

or by signing, dating, and returning the enclosed proxy card

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March 29, 2017

Dear Shareholder:

You are cordially invited to attend the 2017 Annual General Meeting of Shareholders of AXIS Capital Holdings Limited (AXIS), to be held at AXIS House, 92 Pitts Bay Road, Pembroke HM 08, Bermuda on Thursday, May 4, 2017 at 8:30 a.m. local time.

The attached Notice of Annual General Meeting of Shareholders and Proxy Statement describe the formal business to be transacted at the Annual General Meeting. During the Annual General Meeting, we will make available information relating to the operations of AXIS during the past year. Representatives from our independent registered public accounting firm, Deloitte Ltd., will be present to respond to questions from shareholders.

Please mark, date, sign and return your proxy card in the enclosed envelope by following the instructions on the proxy card at your earliest convenience. You may also vote over the Internet or by telephone by following the voting instructions printed on your proxy card. This will assure that your shares will be represented and voted at the meeting even if you do not attend.

Sincerely,

Michael A. Butt

Chairman of the Board

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Thursday, May 4, 2017 at 8:30 a.m. local time

AXIS House

92 Pitts Bay Road

Pembroke HM 08

Bermuda

1. To elect the four Class II Directors listed herein to hold office until 2020;
2. To approve, by non-binding vote, the compensation paid to our named executive officers;
3. To determine, by non-binding vote, whether a shareholder vote to approve the compensation of our named executive officers should occur every one, two or three years;
4. To appoint Deloitte Ltd., Hamilton, Bermuda, to act as our independent registered public accounting firm for the fiscal year ending December 31, 2017 and to authorize the Board of Directors, acting through the Audit Committee, to set the fees for the independent registered public accounting firm;
5. To approve a new 2017 Long-Term Equity Compensation Plan; and
6. To transact such other business as may properly come before the meeting or any postponement or adjournment thereof.

Close of business on March 10, 2017

By Order of the Board of Directors,

Conrad D. Brooks

Corporate Secretary

March 29, 2017

This Notice of Annual General Meeting of Shareholders and Proxy Statement are being distributed or made available, as the case may be, on or about March 29, 2017. The Proxy Statement, the 2016 Annual Report to Shareholders and the Form 10-K of AXIS Capital Holdings Limited for 2016 are available at https://materials.proxyvote.com/G0692U.

PLEASE COMPLETE, DATE, SIGN AND RETURN THE ACCOMPANYING PROXY CARD IN THE RETURN ENVELOPE FURNISHED FOR THAT PURPOSE AS PROMPTLY AS POSSIBLE, WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING. IF YOU LATER DESIRE TO REVOKE YOUR PROXY FOR ANY REASON, YOU MAY DO SO IN THE MANNER DESCRIBED IN THE ATTACHED PROXY STATEMENT. YOU ALSO MAY VOTE OVER THE INTERNET OR BY TELEPHONE BY FOLLOWING THE VOTING INSTRUCTIONS PRINTED ON THE ACCOMPANYING PROXY CARD.

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AXIS Capital Holdings Limited 2017 Annual General Meeting	Thursday, May 4, 2017
AXIS House 92 Pitts Bay Road Pembroke HM 08 Bermuda	8:30 a.m. local time
	Directions to the 2017 Annual General Meeting may be obtained by contacting our Corporate Secretary at: +1.441.496.2600.
Definition	When used in this proxy statement, the terms we, us, our, the Company, AXIS and AXIS C refer to AXIS Capital Holdings Limited.
Agenda	1. The election of the four nominees for Class II Directors as identified in this proxy statement. 2. The approval, by non-binding vote, of the compensation paid to our named executive officers. 3. The determination, by non-binding vote, whether a shareholder vote to approve the compensation of our named executive officers should occur every one, two or three years. 4. To appoint Deloitte Ltd. (Deloitte) to act as our independent registered public accounting firm for the fiscal year ending December 31, 2017 and the authorization of our Board, acting through the Audit Committee, to set the fees for the independent registered public accounting firm. 5. The approval of our 2017 Long-Term Equity Compensation Plan. 6. Such other business as may properly come before the meeting or any postponements or adjournments thereof.
Proxies Solicited By	The Board of Directors of AXIS Capital Holdings Limited.

First Mailing Date	We anticipate mailing the proxy statement on March 29, 2017.
Record Date	March 10, 2017. On the record date, there were 86,090,729 outstanding common shares entitled to vote at the meeting.
Voting	Except as set forth in our bye-laws, each common share entitles the holder of record to one vote. In accordance with our bye-laws, shareholders whose shares constitute 9.5% or more of the voting power of our common shares are entitled to less than one vote for each common share held by them, but only in the event that a U.S. shareholder, as defined in our bye-laws, owning 9.5% or more of our common shares is first determined to exist. We will notify any shareholder whose voting power is reduced prior to the meeting.
Majority Vote Standard	Two or more persons present in person and representing in person or by proxy shares representing more than fifty percent (50%) of the aggregate voting power of the Company constitutes a quorum. Abstentions and broker non-votes will be counted for purposes of determining a quorum. A broker non-vote occurs when a nominee holding shares for a beneficial owner does not have discretionary voting power for a proposal and has not received instructions from the beneficial owner. Under current New York Stock Exchange (NYSE) rules, the proposal to appoint Deloitte as our independent registered public accounting firm is considered a discretionary item. Therefore, there will be no broker non-votes on the approval of the appointment of Deloitte.
	The affirmative vote of a majority of the votes cast by the holders of shares represented in person or by proxy at the Annual General Meeting is

required for: (i) the election of directors; (ii) the non-binding determination of the compensation paid to our named executive officers; (iii) the non-binding approval of whether the compensation paid to our named executive officers will occur every one, two or three years; (iv) the appointment of Deloitte; and (v) the approval of our new 2017 Long-Term Equity Compensation Plan.

In determining whether: (i) a director nominee has been elected by the shareholders; (ii) the compensation paid to our named executive officers has been approved; (iii) the vote to determine whether the compensation paid to our named executive officers will occur every one, two or three years; and (iv) the appointment of Deloitte has been approved, abstentions and broker non-votes (if applicable) will have no effect on the outcome of any of these proposals because such shares are not considered votes cast.

In determining whether our 2017 Long-Term Equity Compensation Plan has been approved, under current NYSE rules, abstentions are considered votes cast and thus: (i) will have the same effect as a vote against the proposal and (ii) will be counted in determining whether a majority of the outstanding shares of common stock are otherwise voted on the proposal. Broker non votes (if applicable) will have no effect on the outcome of any of these proposals because such shares are not considered votes cast.

We will count common shares held by shareholders who have signed their proxy cards or properly submitted their proxy by phone or over the Internet but have not specified how their shares are to be voted towards the presence of a quorum, and we will vote those shares in accordance with the Board s recommendations for each of the proposals contained in this proxy statement.

Proxies

We will vote signed returned proxies FOR (i) the election of each of the four nominees for Class II director, (ii) the approval, by non-binding vote, of the compensation paid to our named executive officers, (iii) the appointment of Deloitte, and (iv) the approval of our 2017 Long-Term Equity Compensation Plan, unless you vote differently on the proxy card. We will vote signed returned proxies for ONE YEAR with respect to the non-binding determination whether a shareholder advisory vote on our executive compensation should occur every one, two or three years, unless you vote differently on the proxy card.

Revoking Your Proxy

Any shareholder giving a proxy has the power to revoke it prior to its exercise by sending notice of revocation to our Secretary in writing, by executing and delivering a subsequent proxy card or by voting in person at the meeting. To revoke a proxy previously submitted over the Internet or by telephone, you may simply vote again at a later date, using the same procedures, in which case your later submitted vote will be recorded and your earlier vote revoked. You may also vote in person at the Annual General Meeting.

2016 Company Financial Performance and Total Shareholder Return

2016 net income available to common shareholders was $465 million and return on average common equity (ROACE) was 9.0%, as compared to $602 million and 11.5%, respectively, in 2015. The net income available to common shareholders for 2015 included $280 million of termination fees received following the termination of the amalgamation agreement with PartnerRe Ltd., as well as reorganization and related expenses of $46 million.

During 2016, we returned $644 million to shareholders, through $132 million in reinvested dividends and $512 million in share repurchases. Since our 2003 initial public offering through February 7, 2017, the Company has repurchased approximately 108 million shares for a total of $4.1 billion.

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The quarterly dividend was increased by 9% in December 2016 to $0.38 per share, representing the thirteenth consecutive annual dividend increase since we declared our first dividend following our initial public offering.

Our cumulative total shareholder return (stock price appreciation plus dividends) for the one, three and five-year periods ended in 2016 was 19%, 47% and 131%, respectively, compared to 12%, 29% and 98%, respectively, for the S&P 500 Index and 16%, 47% and 144%, respectively, for the S&P P&C Insurance Index.

Diluted book value per common share (DBVPS) rose at an annual compounded rate of 10.8% from 2002 through 2016 and diluted book value per common share, adjusted for accumulated dividends declared, increased at a 12.2% annual compounded rate for the same period.

Executive Compensation Program

Key Features

Non-GAAP Operating ROACE (OROACE) and growth in DBVPS adjusted for dividends are the Company financial metrics used for evaluating cash bonus awards and equity awards, respectively;

2014 Annual Incentive Plan incorporates a business unit financial metric further enhancing the correlation between executive pay and performance;

Equity targets are based on target dollar amount, not a fixed number of shares or units, allowing for closer targeting of market pay levels;

Equity grants for our NEOs and other senior executives are split evenly between performance-vesting and time-vesting awards;

Stock ownership guidelines apply to the Company s senior officers and directors, in order to encourage a long-term focus in managing the Company;

Employment agreements for our NEOs do not have excise tax gross-up provisions and limit perquisites;

Executive compensation recoupment, or clawback , policy allows us to recoup compensation paid to our NEOs under certain circumstances;

Insider trading policy prohibits all employees and directors from hedging the economic risk of owning AXIS stock or pledging AXIS stock for loans or other obligations;

Equity award agreements have double-trigger provisions, which provide for accelerated vesting of awards due to a change of control only if either AXIS terminates the executive s employment without cause or the executive terminates his or her employment for good reason within two years following a change of control; and

Cash-settlement at vesting for 50% of equity awards, excluding awards to NEOs, in order to reduce the overall number of equity awards utilized, or burn rate, under our equity plan.

Corporate Governance Highlights

Corporate Governance continues to be an area of significant focus for our Board. In order to ensure that our corporate governance framework enables our Board to oversee the operation and strategic direction of our Company and carry out its responsibilities to shareholders, we regularly engage with our shareholders as well as governance organizations. These interactions help us to review our corporate governance principles and practices to ensure that they are appropriate in light of emerging practices and reflect

[1] OROACE is calculated by dividing non-GAAP operating income for the year by the average common shareholders equity determined by using the common shareholders equity balances at the beginning and end of the year. OROACE is a non-GAAP financial measure, as defined in SEC Regulation G. Refer to Non-GAAP Financial Measures in the Company s Form 10-K for the year ended December 31, 2016 for additional information and a reconciliation to the nearest GAAP financial measure (ROACE).

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our strong commitment to good corporate governance. Our current practices include the following, many of which are discussed in further detail throughout this proxy statement:

- Majority vote standard for election of directors
- No stockholder rights plan (poison pill)
- Independent lead director
- No over-boarding. None of our directors serve on the board of directors of more than three other publicly-held corporations
- Shareholders holding 10% or more of our outstanding stock have the right to call a special meeting
- Shareholder engagement
- Majority independent Board and fully independent Audit, Compensation and Corporate Governance and Nominating Committees
- Regular Board and Committee self-evaluation process

Prompt return of your proxy will help reduce the costs of resolicitation.

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BOARD STRUCTURE

Our Board is divided into three classes, designated Class I, Class II and Class III. The term of office for each Class II director expires at the Annual General Meeting in 2017; the term of office for each Class I director will expire at the Company s Annual General Meeting in 2018; and the term of office for each Class III director will expire at the Company s Annual General Meeting in 2019. At each annual general meeting of the Company, the successors of the class of directors whose term expires at that meeting will be elected to hold office for a term expiring at the annual general meeting to be held in the third year following the year of their election.

Four Class II directors are to be elected at the meeting to hold office until the Company s Annual General Meeting in 2020. All of the nominees currently are directors. Our Corporate Governance and Nominating Committee recommended all of the nominees to our Board for election at the meeting. All nominees have consented to serve if elected. We do not expect that any of the nominees will become unavailable for election as a director, but if any nominee should become unavailable prior to the meeting, proxy cards authorizing the proxies to vote for the nominees will instead be voted for substitute nominees recommended by our Board.

Our Board has reviewed its classified board structure and continues to believe that this structure provides greater stability and continuity in the Board s membership and in the direction and guidance that it provides to the Company s management.

As compared with an annual election process, this approach promotes a long-term perspective to our strategic objectives and has proved beneficial to our CEO and executive management in establishing the Company s short and long-term priorities. We believe that a classified election process remains in the best interests of our shareholders.

SKILLS, QUALIFICATIONS AND EXPERIENCE OF DIRECTORS

In order for the Board to satisfy its oversight responsibilities effectively, the Board seeks members who combine the highest standards of integrity with significant accomplishment in their chosen field of endeavor. The Corporate Governance and Nominating Committee is responsible for recommending qualified candidates for directorships to be filled by the Board or by our shareholders. Directors are expected to bring a diversity of experiences, skills and perspectives to our Board. The Committee considers qualities of intelligence, honesty, perceptiveness, good judgment, high ethics and standards, integrity and fairness to be of paramount importance. It also examines experience, knowledge and skills in business judgment, leadership, strategic planning, general management practices and crisis response. In addition, the Committee looks for candidates with financial expertise and a willingness and ability to commit the time required to fully discharge their responsibilities to the Board. The Committee evaluates candidates on the basis of their qualifications and not on the basis of the manner in which they were submitted for consideration.

In addition, although the Board does not have a policy with regard to the consideration of diversity in identifying director nominees, among the many factors that the Committee carefully considers are the benefits to the Company of diversity of race, gender, ethnicity and national origin in board composition.

When considering whether the Board s directors and nominees have the experience, qualifications, attributes and skills, taken as a whole, to enable the Board to satisfy its oversight responsibilities effectively in light of the Company s business and structure, the Board focused primarily on the information discussed in each of the Board members or nominees biographical information set forth in Director Nominees and Directors Continuing in Office below. In particular, the Board considered the following:

Mr. Benchimol s 35 years of experience in corporate finance, investments, the finance and insurance industry and his specific background as the Company s Chief Executive Officer and President and, formerly, Chief Financial Officer;

Ms. Boisseau s extensive background and significant expertise in insurance law and regulation;

Mr. Butt s 50 years of insurance industry experience and expertise;

Mr. Davis s distinguished career in investment banking and his extensive knowledge of corporate finance as well as his experience as a significant shareholder of insurance-related businesses;

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Mr. Friedman s expertise in corporate law and finance and his years of experience in the mergers and acquisitions arena;

Mr. Greetham s significant experience as an investment analyst and portfolio manager as well as his extensive experience in asset management and the insurance industry;

Mr. Keane s significant experience in banking and financial services, which includes service as the Group Chief Executive Officer of the Bank of Ireland;

Ms. Lister s background in banking and finance and her experience as the Chairperson and Chief Executive Officer of the Bermuda Monetary Authority;

Mr. Ramey s extensive insurance industry knowledge and significant background in international insurance operations and management;

Mr. Smith s background and extensive banking experience, including his 31 year career with the Bank of Bermuda;

Ms. Young s background and expertise in Asian matters and significant experience advising multinational business enterprises; and

Mr. Zeller s extensive global insurance and reinsurance background, management experience and knowledge, including his experience as the Chairman of the Executive Board of Hannover Re.

In addition, in connection with the nominations of Messrs. Friedman, Ramey and Zeller and Ms. Lister for election as directors at the 2017 Annual General Meeting, the Board considered their valuable contributions to the Company s success during their term of Board service.

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DIRECTOR NOMINEES

The table below sets forth the names, ages, classes and positions of the nominees who are standing for election at the meeting.

Name	Age	Class	Position
Robert L. Friedman	74	II	Independent Director
Cheryl-Ann Lister	60	II	Independent Director
Thomas C. Ramey	73	II	Independent Director
Wilhelm Zeller	72	II	Independent Director

Robert L. Friedman

Robert L. Friedman has served as a director since our inception. Since July 2012, Mr. Friedman has been a Senior Advisor of The Blackstone Group L.P. (Blackstone). From February 1999 to June 2012, he was a Senior Managing Director of that firm, and from January 2003 to August 2010 he was also its Chief Legal Officer. Prior to joining Blackstone, Mr. Friedman was a partner at Simpson Thacher & Bartlett LLP for 25 years, where he served as a senior member of that law firm s mergers and acquisitions practice. Mr. Friedman is Chairman of the Board of Harrington Reinsurance Holdings Limited and serves as a director of YRC Worldwide Inc.

Cheryl-Ann Lister

Cheryl-Ann Lister was elected as a director in September 2008. Ms. Lister began her career in 1980 in the investment department of the Bank of N.T. Butterfield & Son Limited. From 1987 to 1992, she served as the manager of the investment department at Bermuda Commercial Bank. In 1992, she joined EBT Securities Limited, a privately held international investment trading company, and ultimately served as a director with responsibilities for the company s operations in Bermuda and Brazil. From 1999 through 2006, Ms. Lister served in both the Chairperson and Chief Executive Officer roles at the Bermuda Monetary Authority, which is responsible for regulating and supervising financial institutions in Bermuda. Ms. Lister was a founding member and President of the Bermuda Society of Financial Analysts and served as a Governor for the Association of Investment Management and Research (now the CFA Institute). She also served as President of the International Society of Financial Analysts. Ms. Lister currently serves as a consultant to the Bermuda Ministry of Legal Affairs on matters relating to anti-money laundering and anti-terrorism financing, is the Chairperson of the National Anti-Money Laundering Committee and serves as a director of FIL Limited.

Thomas C. Ramey

Thomas C. Ramey was elected as a director in July 2009. Mr. Ramey was Chairman and President of Liberty International, a wholly owned subsidiary of Liberty Mutual Group, from 1997 to 2009. He also served as Executive Vice President of Liberty Mutual Group from 1995 through 2009. Prior to joining Liberty, he was President and Chief Executive Officer of American International Healthcare, a subsidiary of AIG, and founder and President of an international healthcare trading company. He is currently a trustee of the Brookings Institution. Mr. Ramey was formerly a Director of The Warranty Group, the International Insurance Society, the Coalition of Services Industries and Chairman of the International Fund for Animal Welfare. He was also formerly a member of the Chongqing, China Mayor s International Advisory Council.

Wilhelm Zeller

Wilhelm Zeller was elected as a director in July 2009. From 1996 to June 2009, Mr. Zeller served as the Chairman of the Executive Board of Hannover Re. Prior to joining Hannover Re, he was a member of the Executive Board of Cologne Re from 1977 through 1995. In 1995, he was also a member of the Executive Council of General Re Corporation, the new principal shareholder of Cologne Re. From 1970 through 1977, Mr. Zeller served as the head of the Casualty Department and International Department Non-Life at Zurich Insurance Company. A

NACD board leadership fellow, he currently is a corporate director and consultant, serving as a director of EIS Group Ltd. and Willis Towers Watson.

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Recommendation of the Board

The Board recommends that you vote **FOR** the election of these nominees.

DIRECTORS CONTINUING IN OFFICE

The table below sets forth the names, ages, classes and positions of the directors who are not standing for election at the meeting.

Name	Age	Class	Position
Albert A. Benchimol	59	III	Chief Executive Officer and President
Jane Boisseau	71	I	Independent Director
Michael A. Butt	74	I	Chairman of the Board of Directors
Charles A. Davis	68	I	Independent Director
Christopher V. Greetham	72	III	Independent Director
Maurice A. Keane	75	III	Independent Director
Henry B. Smith	68	III	Independent Director
Alice Young	66	I	Independent Director

Albert A. Benchimol

Albert A. Benchimol was appointed President and Chief Executive Officer of AXIS Capital Holdings Limited in May 2012 and has served as a director since January 2012. Mr. Benchimol joined the Company as Executive Vice President and Chief Financial Officer in January 2011. He formerly served as Executive Vice President and Chief Financial Officer of PartnerRe Ltd. from April 2000 through September 2010, and Chief Executive Officer of PartnerRe Ltd. s Capital Markets Group business unit from June 2007 through September 2010. Prior to joining PartnerRe, Mr. Benchimol was Senior Vice President and Treasurer at Reliance Group Holdings, Inc. for 11 years and was previously with the Bank of Montreal from 1982 to 1989.

Jane Boisseau

Jane Boisseau was elected as a director in December 2012. Ms. Boisseau is a former partner and Co-Chair of the Insurance Regulatory Department of the law firm Dewey & LeBoeuf LLP with substantial experience in a variety of insurance regulatory, compliance and transactional matters. She began her legal career in 1985 at LeBoeuf, Lamb, Leiby & MacRae, the predecessor firm to Dewey & LeBoeuf LLP. Ms. Boisseau holds a law degree from the New York University School of Law.

Michael A. Butt

Michael A. Butt has served as Chairman of the Board or a director since September 2002. Mr. Butt has over 50 years of insurance industry experience. From 1982 to 1986, Mr. Butt was the Chairman of Sedgwick Limited and Vice Chairman of the Sedgwick Group plc. From 1987 to 1992, Mr. Butt served as Chairman and Chief Executive Officer of Eagle Star Holdings plc and Eagle Star Insurance Company. From 1993 to 1998, Mr. Butt was Chief Executive Officer and President of Mid Ocean Limited. From 1998 to August 2002, Mr. Butt was a director of XL Capital Ltd. Mr. Butt also is a former director of the Farmers Insurance Group, BAT Industries and Instituto Nazionale delle Assicuranzioni. Mr. Butt also was the Chairman of the Association of Bermuda Insurers and Reinsurers from January 2008 through December 2009. In 2011, Mr. Butt was appointed as an Officer of the Order of the British Empire to commemorate his distinguished contributions toward the building of the Bermuda reinsurance industry.

Charles A. Davis

Charles A. Davis has served as a director since our inception. Since June 2005, Mr. Davis has been a member and the Chief Executive Officer of Stone Point Capital LLC (Stone Point). From 1998 until May 2005, he was with MMC Capital, Inc., a subsidiary of Marsh & McLennan

Companies, Inc., serving as the Chief Executive Officer from 1999 to 2005 and Chairman from 2002 to 2005. He also served as a Vice Chairman of Marsh & McLennan Companies, Inc. from 1999 to November 2004. Prior to joining MMC Capital in 1998, Mr. Davis spent 23 years at Goldman, Sachs & Co., where, among other positions, he served as head of Investment Banking Services worldwide, head of the Financial Services Industry Group, a General Partner, a Senior Director and a Limited Partner. Mr. Davis also is a director of The Hershey Company and The Progressive Corporation.

Christopher V. Greetham

Christopher V. Greetham has served as a director since October 2006. From 1996 to 2006, he served as Chief Investment Officer of XL Capital Ltd. From 1982 to 1996, Mr. Greetham was Chief Financial Officer of OIL Insurance Ltd. and President of OIL Investment Corporation Ltd. Between 1975 and 1982, Mr. Greetham served as an investment analyst and a portfolio manager at Bankers Trust Company.

Maurice A. Keane

Maurice A. Keane has served as a director since September 2002. Mr. Keane formerly was the Group Chief Executive Officer of the Bank of Ireland, a position he held from 1998 until 2002. He was Deputy Group Chief Executive Officer from 1991 through 1997, having been a Managing Director since 1983. He was a member of the National Pension Reserve Fund Commission from February 2007 until December 2014. He served as a director of Irish Bank Resolution Corporation Limited (formerly Anglo Irish Bank Corporation Limited) from the time of its nationalization in January 2009 until February 2013.

Henry B. Smith

Henry B. Smith has served as a director since May 2004. Mr. Smith served as the Chief Executive Officer and President of W.P. Stewart & Co., Ltd. from May 2005 to March 2006. Mr. Smith is the former Chief Executive Officer of the Bank of Bermuda Limited, a position he held from March 1997 until March 2004. He joined the Bank of Bermuda in 1973 as a management trainee and held various senior positions within the Bank of Bermuda, including Executive Vice President and Chief Operations Officer, Executive Vice President, Europe and Senior Vice President and General Manager, Retail Banking.

Alice Young

Alice Young was elected as a director in February 2013. She is the founder of Alice Young Advisory LLC and has extensive experience advising multinational entities and entrepreneurs on their business and investment activities in the United States and Asia. From 1994 until her retirement in 2015, Ms. Young served as a partner at the international law firm Kaye Scholer LLP and also as Chairperson of the firm s Asia Pacific practice. Ms. Young also serves as a member of the Board of Directors and on the Executive and Examining Committees of Mizuho Trust & Banking Co. (USA); as a Lifetime Trustee of the Aspen Institute and Trustee of The Asia Foundation; and as an Associate Fellow of Davenport College, Yale University. Ms. Young is also a member of the Council on Foreign Relations, Committee of 100, the US-China Business Council, Japan Society and NY Women s Forum.

CORPORATE GOVERNANCE HIGHLIGHTS

Corporate governance is an area of significant focus for our Board and is a critical component to our success in driving sustained shareholder value. Highlights of our corporate governance standards are provided below:

- Majority vote standard for election of directors. Each director must be elected by a majority of votes cast, not a plurality.
- No over-boarding . None of our directors serve on the board of directors of more than three other publicly-held corporations.
- Shareholder engagement. We engage with our shareholders to better understand their perspectives.
- Regular Board and committee self-evaluation process.
- No hedging the economic risk of owning AXIS stock or pledging of AXIS stock for loans or other obligations.
- Independent lead director.
- Shareholders holding 10% or more of our outstanding stock have the right to call a special meeting.
- Majority independent Board. Our Board comprises all independent directors, except for our CEO and Chairman.
- Independent Audit, Compensation and Corporate Governance and Nominating Committees.
- Robust Code of Business Conduct. AXIS is committed to operating our business with the highest level of ethical conduct and has adopted a Code of Business Conduct that applies to all employees and officers as well as the Board of Directors. Our Code of Business Conduct is available at www.axiscapital.com.

DIRECTOR INDEPENDENCE

Our Board currently consists of 12 directors, of whom 10 are independent directors. The Board has affirmatively determined that each of Messrs. Davis, Friedman, Greetham, Keane, Ramey, Smith and Zeller and Mses. Boisseau, Lister and Young is independent as defined in the listing standards of the NYSE and in accordance with the Company s Corporate Governance Guidelines. Mr. Benchimol serves as our Chief Executive Officer and President and therefore is not independent. Similarly, because Mr. Butt was an employee of the Company until his May 3, 2012 retirement and also is a consultant to us, he is not independent under the NYSE listing standards. Mr. Butt continues to serve as Chairman of the Board in his capacity as a non-management director. The Board has made these determinations based primarily on a review of the responses of the directors to questions regarding employment and compensation history, family relationships and affiliations and discussions with the directors.

With respect to Mr. Charles A. Davis, the Board reviewed his current relationship with Stone Point, assets that we currently have under management with affiliates of Stone Point and contracts for services we have with affiliates of Stone Point. The Board determined that none of these relationships constitute a material relationship with us as defined in the listing standards of the NYSE. For more details about this relationship and transactions, see Certain Relationships and Related Transactions below.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Our Chairman, Mr. Butt, received $578,560 in consulting fee payments in 2016 pursuant to the terms of a consulting agreement by and between Mr. Butt and the Company dated May 3, 2012, as amended December 5, 2013, December 5, 2014 and January 15, 2016. The consulting agreement was further amended on December 8, 2016 to extend the term of the agreement to the Company s 2018 Annual General Meeting for an annual fee of $500,000.

Mr. Davis is the Chief Executive Officer of Stone Point. In the ordinary course of business, we have contracted with StoneRiver RegEd Inc., an affiliate of Stone Point, for broker and adjuster licensing, appointment and compliance services and SKY Harbor Capital Management, LLC, also an affiliate of Stone Point, for asset management services for certain of our short duration high yield debt portfolios. In 2016, we paid $579,739 to StoneRiver RegEd Inc. and $2,997,778 to SKY Harbor Capital Management, LLC for their respective services. Additionally, we currently have $30 million committed to the NXT Capital Senior Loan Fund II and $30 million committed to the NXT Capital Senior Loan Fund III (the NXT Funds). The manager of the NXT Funds is an indirect subsidiary of NXT Capital Holdings, L.P. (NXT Capital). Stone Point, through an affiliated fund, owns approximately 45% of NXT Capital. During 2016, fees paid to NXT Capital totaled $913,357.

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Policies and Procedures for Transactions with Related Persons. We analyze all transactions in which AXIS participates and in which a related person may have a direct or indirect material interest, both due to the potential for a conflict of interest and to determine whether disclosure of the transaction is required under applicable SEC rules and regulations. Related persons include any of our directors, director nominees or executive officers, certain of our shareholders and their respective immediate family members. A conflict of interest occurs when an individual s private interest interferes, or appears to interfere, in any way with our interests. Our Code of Business Conduct requires all directors, officers and employees who may have a potential or apparent conflict of interest to fully disclose all the relevant facts promptly to our General Counsel.

In addition to the reporting requirements under the Code of Business Conduct, to identify related person transactions, each year we submit and require our directors and executive officers to complete Director and Officer Questionnaires identifying any transactions with us in which the officer or director or their family members have an interest. Any potential related person transactions are reviewed by our Corporate Governance and Nominating Committee, which pursuant to its charter is responsible for reviewing and approving any proposed transaction with any related person.

BOARD COMMITTEES

Our Board maintains Audit, Compensation, Corporate Governance and Nominating, Finance, Risk and Executive Committees. Current copies of the charter for each of these committees, as well as our Corporate Governance Guidelines, are available on our website at www.axiscapital.com. The table below provides current membership and meeting information for each committee. In addition, the table identifies the independent directors, as determined by our Board in within the meaning of the NYSE listing standards, applicable SEC regulations and our Corporate Governance Guidelines.

Name	Audit	Compensation	Corporate Governance and Nominating	Finance	Risk	Executive	Independent Director
Mr. Benchimol					Member	Member	
Ms. Boisseau	Member	Member	Member				X
Mr. Butt						Member	
Mr. Davis				Chair		Member	X
Mr. Friedman				Member			X
Mr. Greetham		Member		Member	Chair		X
Mr. Keane	Member		Member		Member		X
Ms. Lister			Chair		Member		X
Mr. Ramey	Chair	Member					X
Mr. Smith	Member	Chair	Member			Chair	X
Ms. Young	Member		Member		Member		X
Mr. Zeller				Member	Member		X
2016 Meetings	8	5	4	4	4	0	

Audit Committee. The Audit Committee has general responsibility for the oversight of the integrity of our financial statements, our compliance with legal and regulatory requirements, our independent auditor s qualifications and independence and the performance of our internal audit functions and independent auditors. The Committee appoints, retains and determines the compensation for our independent auditors, pre-approves fees and services of the independent auditors and reviews the scope and results of their audit. The Audit Committee has been established in accordance with Rule 10A-3 of the U.S. Securities Exchange Act of 1934, as amended (the Exchange Act). Each member of the Audit Committee is a non-management director and is independent as defined in the listing standards of the NYSE, our Corporate Governance Guidelines and under the Exchange Act. Our Board has determined that Mr. Ramey qualifies as an audit committee financial expert pursuant to the rules and regulations of the Securities and Exchange Commission (the SEC).

Compensation Committee. The Compensation Committee establishes compensation for our Chief Executive Officer and certain other executives in light of our established corporate performance goals and makes recommendations to our Board with respect to overall officer, management and employee compensation policies, incentive compensation plans, equity-based plans and director compensation. Each member of this Committee is a non-employee director for purposes of Rule 16b-3 under the Exchange Act and is independent as defined in the listing standards of the NYSE.

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Corporate Governance and Nominating Committee. The Corporate Governance and Nominating Committee takes a leadership role in shaping our corporate governance by identifying and proposing qualified director nominees, overseeing the purpose, structure and composition of our Board committees, overseeing the annual evaluation of the Board and its committees and periodically reviewing our Code of Business Conduct and Corporate Governance Guidelines. Each member of this Committee is a non-management director and is independent as defined in the listing standards of the NYSE.

Finance Committee. The Finance Committee oversees the finance function of the Company, including the investment of funds and financing facilities. It also is responsible for establishing our investment policies and guidelines, reviewing the selection of investment managers, evaluating the performance of investment managers, monitoring the need for additional financing and ensuring compliance with outstanding debt facility covenants.

Risk Committee. The Risk Committee assists the Board in its oversight of risks to which the Company is exposed and to monitor our compliance with our aggregate risk standards and risk appetite. The Risk Committee also evaluates compensation practices to determine whether our policies and plans are consistent with the Company s risk framework and do not encourage excessive risk taking.

Executive Committee. The Executive Committee may exercise the authority of the Board when the entire Board is not available to meet, except in cases where the action of the entire Board is required by our memorandum of association, our bye-laws or applicable law.

MEETINGS OF THE BOARD AND ITS COMMITTEES

Pursuant to our Corporate Governance Guidelines, we expect directors to attend all meetings of our Board, all meetings of all committees of the Board on which they serve and each annual general meeting, absent exigent circumstances. Our Board met six times during the year ended December 31, 2016. No director attended fewer than 75% of the aggregate of the total number of meetings of the Board and the total number of meetings of all committees of the Board on which the director served (during the period that each director served on the Board or such committee(s)). All of our directors attended our 2016 Annual General Meeting.

MEETINGS OF NON-MANAGEMENT DIRECTORS

The Board believes that one of the key elements of effective, independent oversight is that the independent directors meet in executive session on a regular basis without the presence of management. In 2016, as part of the agenda for each of the five regularly-scheduled Board meetings, the independent directors met in executive session with the Lead Independent Director presiding at such meetings.

LEAD INDEPENDENT DIRECTOR

The Board believes that the role of Lead Independent Director enhances effective governance. Mr. Smith currently serves as Lead Independent Director. In addition to presiding at executive sessions of the non-management directors as well as all meetings at which the Chairman is not present, the Lead Independent Director s duties include:

- providing input on meeting scheduling, agendas and information that is provided to the Board;
- acting as a liaison between the independent directors and the Chairman;
- recommending, as appropriate, that the Board retain consultants who will report directly to the Board; and
- consulting and communicating with major shareholders on a per request basis.

BOARD LEADERSHIP STRUCTURE

The Board believes that the decision of whether to combine or separate the positions of Chief Executive Officer and Chairman will vary company to company and depends upon a company s particular circumstances at a given point in time. For our Company, the Board currently believes that separating the Chief Executive Officer and

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Chairman positions is the appropriate leadership structure and is in the best interests of our shareholders. In addition, the Board also believes that AXIS leadership structure does not affect the Board s role in risk oversight of the Company. Accordingly, Mr. Butt serves as our Chairman of the Board, while Mr. Benchimol serves as our Chief Executive Officer and President. Our Board believes that this structure best encourages the free and open dialogue of alternative views and provides for strong checks and balances. Additionally, Mr. Butt s attention to Board and committee matters allows Mr. Benchimol to focus more specifically on overseeing the Company s day-to-day operations and underwriting activities as well as strategic opportunities and planning.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

During the year ended December 31, 2016, none of our executive officers served as a member of the compensation committee or as a director of another entity, one of whose executive officers served on our Compensation Committee or as one of our directors.

CONSIDERATION OF DIRECTOR NOMINEES

The Corporate Governance and Nominating Committee will consider candidates recommended by shareholders to be nominated to our Board for election at the Annual General Meeting. A shareholder who wishes to submit a candidate for consideration must be a shareholder of record at the time that such shareholder submits a candidate for nomination and must be entitled to vote for the candidate at the meeting. A shareholder must give written notice of the submission to our Secretary not less than 90 days nor more than 120 days prior to the anniversary of the annual general meeting for the preceding year; provided, that, if the date of the annual general meeting is moved more than 30 days before or after the anniversary date of the annual general meeting for the preceding year, the deadline for giving written notice of the submission to our Secretary will instead be a reasonable time before we begin to print and mail our proxy materials. The notice must include:

- the name, age and business and residence addresses of the candidate;
- the principal occupation or employment of the candidate;
- the number of common shares or other securities of the Company beneficially owned by the candidate;
- all other information relating to the candidate that is required to be disclosed in solicitations of proxies for election of directors pursuant to Regulation 14A under the Exchange Act; and
- the candidate s written consent to be named in the proxy statement and to serve as a director if elected.

The notice also must include information on the shareholder submitting the nomination, including the shareholder s name and address as it appears on our share register and the number of our common shares beneficially owned by the shareholder.

COMMUNICATIONS WITH BOARD OF DIRECTORS

Shareholders and other interested parties may send communications to our Board by sending written notice to our Secretary at our headquarters at AXIS House, 92 Pitts Bay Road, Pembroke HM 08, Bermuda. The notice may specify whether the communication is directed to the entire Board, to the non-management directors, to the Lead Independent Director or to a particular Board committee or other director. Our Secretary will handle routine inquiries and requests for information or will otherwise determine whether the communication is made for a valid purpose and is relevant to the Company and its business and, if he so determines, will forward the communication to our Chairman of the Board, to the non-management directors or to the appropriate committee chairman or director. At each meeting of our Board, our Secretary presents a summary of all communications received since the last meeting that were not forwarded and makes those communications available to the directors on request.

RISK GOVERNANCE AND RISK MANAGEMENT ORGANIZATION

The key elements of our governance framework, as it relates specifically to risk management, are described below.

Board of Directors Level

The Risk Committee of the Board (Risk Committee) assists the Board of Directors in overseeing the integrity and effectiveness of our enterprise risk management framework, and ensuring that our risk assumption and risk

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mitigation activities are consistent with that framework. The Risk Committee reviews, approves and monitors our overall risk strategy, risk appetite and key risk limits and receives regular reports from the Group Risk Management function (Group Risk) to ensure any significant risk issues are being addressed by management. The Risk Committee further reviews, with management and Internal Audit, the Group s general policies and procedures and satisfies itself that effective systems of risk management and controls are established and maintained. Among its other responsibilities, the Risk Committee also reviews and approves our annual Own Risk and Solvency Assessment (ORSA) report. The Risk Committee assesses the independence and objectivity of our Group Risk function, approves its terms of reference and reviews its ongoing activities.

Following a recommendation by the Chief Executive Officer, the Risk Committee also conducts a review and provides a recommendation to the Board of Directors regarding the appointment and/or removal of the Chief Risk and Actuarial Officer. The Risk Committee meets with the Chief Risk and Actuarial Officer in separate executive session on a regular basis.

The Finance Committee of our Board oversees the Group s investment of funds and adequacy of financing facilities. This includes approval of the Group s strategic asset allocation plan. The Audit Committee of our Board, which is supported by our internal audit function, is responsible for overseeing internal controls and compliance procedures and also reviews with management and the Chairman of the Risk Committee the Group s guidelines and policies regarding risk assessment and risk management.

Group Executive Level

Our management Executive Committee formulates our business objectives and risk strategy within the overall risk appetite set by our Board. It allocates capital resources and sets limits across the AXIS group of companies (the Group), with the objective of balancing return and risk. While the management Executive Committee is responsible overall for risk management, it has delegated some authority to the executive level Risk Management Committee (RMC):

The RMC is responsible for overseeing the integrity and effectiveness of the Group s Enterprise Risk Management (ERM) framework, and ensuring that the Group s risk assumption and risk mitigation activities are consistent with that framework, including a review of the annual business plan relative to our risk limits. In addition to the RMC there is an established framework of separate yet complementary management committees and subcommittees, focusing on particular aspects of ERM including the following:

The Investment and Finance Management Committee oversees the Group s investment activities by, among other things, monitoring market risks, the performance of our investment managers and the Group s asset-liability management, liquidity positions and investment policies and guidelines. The Investment and Finance Management Committee also prepares the Group s strategic asset allocation and presents it to the Finance Committee of the Board for approval.

The Reinsurance Security Committee (RSC) sets out the financial security requirements of our reinsurance counterparties and approves reinsurance counterparties, as needed.

The Internal Model Committee oversees the Group s Internal Model framework, including the key model assumptions, methodology and validation framework.

The Cyber Risk Committee oversees the Group s Cyber Risk Framework including the development of a cohesive risk governance plan for the internal controls and risk aggregation of cyber risks across the Company.

The Emerging Risks Committee oversees the processes for identifying, assessing and monitoring current and potential emerging risks.

Group Risk Management Organization

As a general principle, management in each of our business units is responsible in the first instance for both the risks and returns of its decisions. Management is the owner of risk management processes and is responsible for managing our business within defined risk limits.

Our Chief Risk and Actuarial Officer reports to our Chief Executive Officer and the Chairman of the Board Risk Committee, leads our independent Group Risk function, and is responsible for oversight and implementation of the Group s ERM framework as well as providing guidance and support for risk management practices. Group

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Risk is responsible for developing methods and processes for identifying, measuring, managing and reporting risk. This forms the basis for informing the Risk Committee and RMC of the Group s risk profile. Group Risk develops our risk management framework and oversees the adherence to this framework at the Group and operating entity level. Our Chief Risk and Actuarial Officer regularly reports risk matters to the Chief Executive Officer, management Executive Committee, RMC and the Risk Committee.

Internal Audit, an independent, objective function, reports to the Audit Committee of the Board on the effectiveness of our risk management framework. This includes assurance that key business risks have been adequately identified and managed appropriately and that our system of internal control is operating effectively. Internal Audit also provides independent assurance around the validation of our internal capital model and coordinates risk-based audits, compliance reviews, and other specific initiatives to evaluate and address risk within targeted areas of our business.

Our risk governance structure is further complemented by our Legal Department which seeks to mitigate legal and regulatory compliance risks with support from other departments. This includes ensuring that significant developments in law and regulation are observed and that we react appropriately to impending legislative and regulatory changes and applicable court rulings.

CODE OF BUSINESS CONDUCT AND CORPORATE GOVERNANCE GUIDELINES

Our Corporate Governance Guidelines which, along with our Code of Business Conduct and the charters of the committees of our Board of Directors, provide a framework for the corporate governance of the Company addressing matters such as director qualification standards, director responsibilities and duties and compensation of our directors. Our Corporate Governance Guidelines and our Code of Business Conduct apply to all of our directors, officers and employees, including our Chief Executive Officer and President, our Chief Financial Officer and our Controller and are available on our website at www.axiscapital.com. We intend to disclose on our website any required amendment to, or waiver of, a provision of the Code of Business Conduct that applies to our Chief Executive Officer and President, our Chief Financial Officer or our Controller. In addition, waivers of the Code of Business Conduct for our directors and executive officers may be made only by our Board or the Corporate Governance and Nominating Committee and will be promptly disclosed to shareholders on our website in accordance with the listing standards of the NYSE.

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DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth information as of March 1, 2017 regarding beneficial ownership of our common shares by each of the following, in each case based on information provided by these individuals:

- Each person or group known to us to be the beneficial owner of more than 5% of our common shares
- Each of our directors
- Each of our NEOs
- All of our directors and executive officers as a group

Directors and Executive Officers	Number of Common Shares [1]	Percent of Outstanding Common Shares [1]
Albert A. Benchimol	213,164	*
Jane Boisseau	10,364	*
Michael A. Butt	965,956	1.12%
Charles A. Davis	4,410	*
Robert L. Friedman	54,797	*
Christopher V. Greetham	24,949	*
Maurice A. Keane	99,273	*
Cheryl-Ann Lister	24,647	*
Thomas C. Ramey	12,276	*
Henry B. Smith	46,559	*
Alice Young	5,570	*
Wilhelm Zeller	8,733	*
Christopher N. DiSipio	69,741	*
Joseph C. Henry	48,869	*
John D. Nichols	135,320	*
Peter W. Wilson	18,549	*
All directors and executive officers as a group (16 persons)	1,626,800	1.89%
Other Shareholders		
BlackRock, Inc. [2]	6,766,797	7.70%
FMR LLC and related entities [3]	6,970,004	7.88%
Pzena Investment Management, LLC [4]	4,820,702	5.50%
The Vanguard Group [5]	7,807,088	8.95%
Vulcan Value Partners, LLC [6]	7,943,531	8.98%

* Less than 1%

(1) Unless otherwise indicated, the number of common shares beneficially owned and percentage ownership are based on 86,117,957 common shares outstanding as of March 1, 2017. Beneficial ownership is determined in accordance with the rules of the SEC and includes sole or shared voting or investment power with respect to such shares. Except as indicated in the footnotes to the table, based on information provided by the persons named in the table, such persons have sole voting and investment power with respect to all common shares shown as beneficially owned by them. Our bye-laws reduce the total voting power of any shareholder owning 9.5% or more of our common shares to less than 9.5% of the voting power of our capital stock, but only in the event that a U.S. Shareholder, as defined in our bye-laws, owning 9.5% or more of our common shares is first determined to exist.

(2) The number of common shares beneficially owned and the information set forth below is based solely on information contained in Amendment No. 2 to the Schedule 13G/A filed on January 19, 2017 by BlackRock, Inc. (BlackRock), 55 East 52nd Street, New York, NY 10022, and includes common shares beneficially owned as of December 31, 2016. BlackRock has sole voting power over 5,774,073 common shares and sole dispositive power over 6,766,797 common shares.

(3) The number of common shares beneficially owned and the information set forth below is based solely on information contained in Amendment No. 13 to the Schedule 13G/A filed on February 14, 2017 by FMR LLC, 245 Summer Street, Boston Massachusetts, 02210, and includes common shares beneficially owned as of December 31, 2016. FMR LLC has sole voting power over 755,104 common shares and sole dispositive power over 6,970,004 common shares; Abigail P. Johnson is a Director, the Chairman, the Chief Executive Officer and the President of FMR LLC and has sole dispositive

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power over 6,970,004 common shares; Fidelity Low-Priced Stock Fund has sole voting power over 6,199,700 common shares. Members of the Johnson family, including Abigail P. Johnson, are the predominant owners, directly or through trusts, of Series B voting common shares of FMR LLC, representing 49% of the voting power of FMR LLC. The Johnson family group and all other Series B shareholders have entered into a shareholders voting agreement under which all Series B voting common shares will be voted in accordance with the majority vote of Series B voting common shares. Accordingly, through their ownership of voting common shares and the execution of the shareholders voting agreement, members of the Johnson family may be deemed, under the Investment Company Act of 1940, to form a controlling group with respect to FMR LLC. Neither FMR LLC nor Abigail P. Johnson has the sole power to vote or direct the voting of the shares owned directly by the various investment companies registered under the Investment Company Act (Fidelity Funds) advised by Fidelity Management & Research Company, a wholly owned subsidiary of FMR LLC, which power resides with the Fidelity Funds Boards of Trustees. Fidelity Management & Research Company carries out the voting of the shares under written guidelines established by the Fidelity Funds Boards of Trustees.

(4) The number of common shares beneficially owned and the information set forth below is based solely on information contained in Amendment No. 2 to the Schedule 13G/A filed on February 6, 2017 by Pzena Investment Management, LLC (Pzena), 320 Park Avenue, 8th Floor, New York, NY 10022, and includes common shares beneficially owned as of December 31, 2016. Pzena has sole voting power over 1,733,528 common shares and sole dispositive power over 4,820,702 common shares.

(5) The number of common shares beneficially owned and the information set forth below is based solely on information contained in Amendment No. 2 to Schedule 13G/A filed on February 10, 2017 by The Vanguard Group (Vanguard), 100 Vanguard Blvd., Malvern, PA 19355, and includes common shares beneficially owned as of December 31, 2016. Vanguard has sole voting power over 75,392 common shares and sole dispositive power over 7,807,088 common shares.

(6) The number of common shares beneficially owned and the information set forth below is based solely on information contained in Amendment No. 1 to Schedule 13G/A filed on February 14, 2017 by Vulcan Value Partners, LLC (Vulcan) and Mr. C. T. Fitzpatrick, Chief Executive Officer/Chief Investment Officer/Principal of Vulcan, Three Protective Center, 2801 Highway 280 South, Suite 300, Birmingham, AL 35223, and includes common shares beneficially owned as of December 31, 2016. Vulcan has sole voting power over 7,200,823 common shares and sole dispositive power over 7,943,351 common shares.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our directors and executive officers and persons who own more than 10% of a registered class of our equity securities to file with the SEC and the NYSE reports on Forms 3, 4 and 5 concerning their ownership of the common shares and other equity securities of the Company. Under SEC rules, we must be furnished with copies of these reports.

Based on our review of these reports, we believe that all of our directors, executive officers and shareholders who are required to file reports filed all of such reports on a timely basis during the year ended December 31, 2016 with the exception of a single Form 4 fling on behalf of Mr. Butt regarding one transaction, which was subsequently filed one business day after the required filing date.

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The table below sets forth certain information concerning our current executive officers:

Name	Age	Position
Albert A. Benchimol (1)	59	Chief Executive Officer, President and Director
Christopher N. DiSipio	54	Chief Executive Officer, AXIS Accident & Health
Joseph C. Henry	64	Chief Financial Officer
Jan Ekberg	60	Interim Chief Executive Officer, AXIS Re
Peter W. Wilson	57	Chief Executive Officer, AXIS Insurance

(1) Mr. Benchimol s biography is available under Directors Continuing in Office .

Christopher N. DiSipio

Christopher N. DiSipio has been Chief Executive Officer of AXIS Accident & Health since February 2009 and has served as an Executive Officer since September 2012. Mr. DiSipio develops and implements our Accident & Health strategy worldwide. He has over 30 years of experience in the insurance industry, specifically in the Accident & Health business. Prior to joining AXIS, he had been with the Chubb Corporation since 1999, most recently as the Chief Operating Officer and Senior Vice President for Life, Accident & Health. Mr. DiSipio began his insurance career in 1984 as an underwriter with CNA Insurance Company, where he helped start and subsequently led the company s International Accident & Health Division.

Jan Ekberg

Jan Ekberg serves as Interim CEO of AXIS Re, previously serving as President and Chief Underwriting Officer of AXIS Re Europe. He has spent more than 40 years in the (re)insurance industry, with over 20 years of experience of managing underwriting business units. Mr. Ekberg joined AXIS Re Europe in 2004 shortly after its formation and has been integral to establishing AXIS Re Europe as a leading international reinsurer. During his tenure at AXIS, he has led the Property Risk team and the Engineering team. Before joining AXIS, Mr. Ekberg served in various underwriting and management positions at Nordisk Re in Copenhagen, Employers Re and GE Frankona in Munich. He spent the first nine years of his career in primary insurance.

Joseph C. Henry

Joseph C. Henry joined the Company as Chief Financial Officer in June 2012. He previously had served as Executive Vice President and Chief Financial Officer of XL Insurance since 2006. From 2003 to 2006, Mr. Henry was the Global Controller for XL Global Services and also served as the interim Corporate Controller for XL Capital from 2005 to 2006. Prior to joining XL, he held various senior leadership positions at Meadowbrook Insurance Group including Chief Operating Officer and Chief Financial Officer. Mr. Henry began his career at KPMG where he became an Audit Partner before leaving to join the Hanover Insurance Companies as its Chief Financial Officer and Treasurer in 1987.

Peter W. Wilson

Peter W. Wilson was appointed Chief Executive Officer of AXIS Insurance in April 2014. He joined AXIS in May 2013 as President of U.S. Insurance. Prior to joining the Company, Mr. Wilson served as President and Chief Operating Officer for CNA Specialty, a unit of CNA Financial Corporation, which is focused on professional and management liability, healthcare, surety and other specialized insurance products and services. During his more than 20-year tenure with CNA Financial Corporation, Mr. Wilson served in a number of leadership positions and had management responsibility for a diverse group of business units operating both in the

U.S. and internationally. Prior to CNA, he served as an Executive Vice President at AIG, where he managed AIG s commercial public D&O business in the U.S.

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In accordance with the requirements of Section 14A of the Exchange Act (which was added by the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act)) and the related rules of the SEC, we are including in this proxy statement a separate resolution subject to shareholder vote to approve, in a non-binding vote, the compensation paid to our named executive officers as disclosed below. The language of the resolution, commonly known as a Say on Pay proposal, is as follows:

RESOLVED, that the compensation paid to the Company s named executive officers, as disclosed in this proxy statement pursuant to the rules of the SEC, including the Compensation Discussion and Analysis, compensation tables and any related narrative discussion is hereby APPROVED.

In considering their vote, shareholders may wish to review with care the information on our compensation policies and decisions regarding our NEOs presented in the Compensation Discussion and Analysis section below as well as the discussion regarding the Compensation Committee and Compensation Committee Process, also below.

The Board has currently adopted a policy providing for annual Say on Pay advisory votes and the Company has included Proposal 3 relating to Say on Pay Frequency in this year s proxy statement. Assuming the shareholders approval annual Say on Pay advisory votes in accordance with the Board s recommendation, the next Say on Pay vote will occur in 2018.

Recommendation of the Board

The Board recommends that you vote **FOR** the approval of the compensation paid to our NEOs.

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PROPOSAL 3. NON-BINDING VOTE ON THE FREQUENCY OF SHAREHOLDER VOTES ON EXECUTIVE COMPENSATION

In accordance with the requirements of Section 14A of the Securities Exchange Act of 1934 (which was added by the Dodd-Frank Act) and the related rules of the SEC, we are including in the proxy statement a separate resolution subject to shareholder vote to determine, in a non-binding vote, whether a shareholder vote to approve the compensation of our named executive officers (that is, votes similar to the non-binding vote in Proposal No. 2) should occur every one, two or three years.

After careful consideration of this proposal, our Board of Directors has determined that an advisory vote on executive compensation that occurs every year is the most appropriate policy for AXIS at this time, and therefore our Board of Directors recommends that you vote for future advisory votes on executive compensation to occur annually.

In formulating its recommendation, our Board of Directors recognized that the Company s executive compensation programs are designed to promote a long-term connection between pay and performance. However, because executive compensation disclosures are made annually, the Board of Directors considered that an annual advisory vote on executive compensation will allow our shareholders to provide us with their direct and immediate input on our compensation philosophy, policies and practices as disclosed in the proxy statement every year. Additionally, an annual advisory vote on executive compensation is consistent with our policy of seeking input from, and engaging in discussions with, our shareholders on corporate governance matters and our executive compensation philosophy, policies and practices. We understand that our shareholders may have different views as to what is the best approach for AXIS, and we look forward to hearing from our shareholders on this proposal.

Recommendation of the Board

The Board recommends that you vote **ONE YEAR** with respect to the vote to determine the frequency of shareholder votes on executive compensation. However, notwithstanding the Board s recommendation and the outcome of the shareholder vote, the Board may in the future decide to conduct advisory votes on a more or less frequent basis and may vary its practice based on factors such as discussions with shareholders and the adoption of material changes to compensation programs.

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NAMED EXECUTIVE OFFICERS

The Compensation Discussion and Analysis section which follows explains the Company s executive compensation program as it relates to our named executive officers (the NEOs) whose compensation information is presented in the tables following this discussion in accordance with SEC rules. Our NEOs for 2016 were:

Name	Title
Albert A. Benchimol	Chief Executive Officer and President (CEO)
Christopher N. DiSipio	Chief Executive Officer, AXIS Accident & Health
Joseph C. Henry	Chief Financial Officer (CFO)
John D. Nichols[1]	Former Chief Executive Officer, AXIS Reinsurance
Peter W. Wilson	Chief Executive Officer, AXIS Insurance

(1) On February 14, 2017, the Company announced that John D. Nichols provided notice of his voluntary resignation effective March 31, 2017.

EXECUTIVE SUMMARY

2016 Business Highlights

For AXIS, 2016 was a year of achievement of numerous key objectives and continued progress in pursuing the following four strategic initiatives previously established by our CEO:

- Focusing our resources and efforts on the businesses where we have strengths and where the market offers us opportunities for profitable growth
- Increasing our investments in data and analytics
- Expanding our strategic partnerships and positioning AXIS as the company that best matches risk to the most appropriate capital
- Improving the effectiveness and efficiency of our operating platforms and processes

Financially, 2016 was a year of solid profitability despite competitive markets and a difficult interest rate environment. Gross premiums written increased by $366 million, or 8.0%, to $5.0 billion (10.0% on a constant currency basis[2]). We also grew our book value and delivered strong operating results. We continued our practice of managing our capital for the benefit of our shareholders. During the year, we increased our dividend by 9.0% and returned $644 million to our shareholders through common dividends and share repurchases. AXIS finished the year with net income available to common shareholders of $465 million or $5.08 per diluted common share. Additionally, diluted book value per share, or DBVPS, increased year over year by 8.0% to $58.27 per share and we achieved a return on average common equity, or ROACE, of 9.0%. For 2016, our value creation, or growth in DBVPS adjusted for dividends was 10.0%. With respect to the financial metrics used within our executive incentive plans, as described in more detail below, AXIS achieved an annual OROACE of 7.9%, as compared to our 2016 OROACE target of 9.0%. In addition, we grew our three year DBVPS adjusted for dividends by 42.2% compared to 34.7% for our peer group median as of September 30, 2016, our annual measurement date for this metric.

Our cumulative total shareholder return (stock price appreciation plus dividends) for the one, three and five-year periods ended in 2016 was 19%, 47% and 131%, respectively, compared to 12%, 29% and 98%, respectively, for the S&P 500 Index and 16%, 47% and 144%, respectively, for the S&P P&C Insurance Index.

As for our Company non-financial objectives, the following are among the highlights of our achievements during 2016 in advancing our strategic initiatives and were considered in evaluating the non-financial performance of our NEOs:

Acquisitions and Investments. We successfully completed multiple strategic investments and announced the acquisition a premier European specialty aviation insurer and reinsurer, Aviabel, increasing the Company s scale and relevance in the global aviation market.

(2) Amounts presented on a constant currency basis are non-GAAP financial measures as defined in Regulation G. The constant currency basis is calculated by applying the average foreign exchange rate from the current year to prior year amounts.

Capital Allocation. We maintained discipline by allocating resources and capital that are consistent with our objective to have relevance, scale and profitability where we have the best opportunity to drive profitable growth.

Launch of Harrington Re Ltd. The Company received the Transaction of the Year award from Insurance Day magazine for the launch of Harrington Re Ltd., a new reinsurer jointly sponsored by the Company and The Blackstone Group L.P. and a key element in our alternative capital strategy.

Data and Analytics. The Company invested in technology to yield a deeper understanding of the risks that we underwrite to provide for a stronger, more balanced portfolio overall.

Share Repurchases and Dividends. We returned $644 million to shareholders in the form of share repurchases and common dividends in 2016.

Capital Structure. We issued $550 million of 5.5% Series E preferred shares with the intention of using a portion of the net proceeds from the offering to redeem or repurchase all $400 million of our outstanding 6.875% Series C preferred shares.

Operating Platform. We continue to improve our operating platform, both enhancing client service and lowering expenses.

Geographic Expansion. We extended our geographic reach by expanding our presence in Dubai and preparing for the launch of our Miami office to address the Latin American market.

Marketing and Communications. We established an integrated marketing communications function with the goal of enhancing our marketing platforms and assets, increasing our visibility in traditional and social media and elevating our profile as a leader in specialty risk.

Talent Initiatives. The Company increased its investment in recruiting, developing and retaining our talent attracting senior-level professionals across a wide range of specializations, from actuarial to underwriting and business development.

Strong Link Between Pay and Performance

Based on the Company s financial results, business unit performance, the achievements and progress against strategic initiatives discussed above and the leadership demonstrated by each of our NEOs, the Compensation Committee approved the following with respect to the 2016 performance year:

Bonuses awarded to our NEOs ranging between 93% and 107% of target

Equity grants for our NEOs granted at 100% of target, with vesting for 50% of the awards subject to satisfying Company specified performance conditions

No change to base salaries in 2016 for our NEOs

Key Features of our Executive Compensation Best Pay Practices

Highlighted below are compensation practices we maintained in 2016 to drive Company performance and align the interests of the Company s executives with its stockholders:

Fixed-dollar equity targets. Equity targets are based on target dollar amount, not a fixed number of shares or units, allowing for closer targeting of market pay levels.

Equity awards split between performance-vesting and time-vesting awards. Equity targets for our NEOs and other senior executives are split evenly between performance-vesting and time-vesting awards.

Stock ownership guidelines. We maintain stock ownership guidelines that apply to our senior executives and directors to encourage a long-term focus in managing our business.

No tax gross-ups. The employment agreements for our NEOs do not contain excise tax gross-up provisions and we do not provide other tax gross-ups beyond what is generally available for all employees.

Independent compensation consultant. Our Compensation Committee engages an independent compensation consultant that reports directly to them.

Cash-settlement for a portion of equity awards. Implemented cash-settlement at vesting for 50% of each equity award, excluding awards to our NEOs, in order to reduce the overall number of equity awards utilized, or burn rate, under our equity plan.

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No individual executive retirement plans.

All equity awards adjust based on performance. Our performance-vesting equity awards are adjusted at the time of vesting and our time-vesting equity awards are adjusted at the time of grant, in both cases based on growth in diluted book value per share over a three-year period as compared to our peers.

Double-trigger in the event of a change-in-control. We replaced single-trigger change-in-control vesting provisions within our equity program to ensure that awards will only vest automatically upon a change in control of the Company if the employee is subsequently terminated.

No hedging or pledging of AXIS stock. Our Insider Trading Policy prohibits all employees and directors from hedging the economic risk of owning AXIS stock or pledging AXIS stock for loans or other obligations.

Clawback Policy. Our executive compensation Clawback Policy allows us to recoup compensation paid to our NEOs under certain circumstances.

Limited executive perquisites.

EXECUTIVE COMPENSATION PHILOSOPHY

We are a global insurer and reinsurer, with our mission being to provide our clients and distribution partners with a broad range of risk transfer products and services and meaningful capacity, backed by excellent financial strength. Accordingly, it is critical that we recruit, retain and motivate the best talent in the global marketplace. To achieve these goals, we have designed our executive compensation programs to retain and reward leaders who create long-term value for our shareholders. The combination of fixed and variable compensation that we pay to our NEOs is structured to reward above-median performance with above-median levels of compensation and conversely, to provide below-median compensation for below-median performance. A large portion of our NEOs compensation is variable, or at risk , and consists of annual incentive awards and long-term equity awards, while the fixed component of their compensation is designed to reflect their significant level of responsibility and overall contributions to our success. In addition to leading the Company s day-to-day underwriting and operating activities, our NEOs manage and lead a team of senior professionals that we believe is one of the strongest teams in our industry. The significant diversity of our operations and successful management of these operations ultimately serve to maintain our capital and drive long-term shareholder returns. Therefore, we have designed our NEOs compensation to reflect this situation, both to compensate them for the functions they perform and to ensure that their compensation is connected to the successes attributable to their skills and responsibilities. The primary consideration for our compensation decisions continues to be the assessment of our overall financial performance based on certain short-term and long-term financial metrics. For 2016, our incentive compensation programs were tied to Company financial performance and both Company and individual non-financial performance.

Company and Business Unit Financial Metrics

The financial metrics against which we measure our Company performance are OROACE and growth in DBVPS adjusted for dividends as compared to our peer group. We believe OROACE represents an appropriate short-term measure as it reflects the rate of return the Company is earning on its capital and surplus. Generally, the higher the return, the greater use the Company is making of the funds invested by its shareholders, assuming risk is measured and managed appropriately. As for our long-term Company financial performance measure, we use growth in DBVPS adjusted for dividends as compared to our peers, as we believe that the evidence demonstrates that this measure best reflects long-term financial success for insurers and reinsurers. Each year, the Compensation Committee sets a target OROACE after considering the Company s business plan and market conditions for the current year. Under our growth in DBVPS metric, target performance is achieved only if the Company achieves growth at or above the 60th percentile of our peer group. Under our 2014 Executive Annual Incentive Plan (the 2014 Annual Incentive Plan), we use OROACE as the sole Company financial performance metric. Additionally, our 2014 Annual Incentive Plan incorporates a business unit financial metric to further enhance the pay-for-performance linkage for our business unit CEOs. Similarly, the growth in DBVPS metric is the sole Company financial performance measure under our equity program.

Company and Individual Non-Financial Metrics

Our CEO establishes the Company s non-financial objectives, as described under the 2016 Business Highlights section above. Our CEO evaluates and makes a recommendation to the Compensation Committee on the performance of the NEOs against these objectives. The Compensation Committee in turn reviews the individual performance of each NEO, considers the recommendations from our CEO (except with regard to his own individual performance) and makes a final determination for this element of each NEO s compensation.

COMPENSATION COMMITTEE PROCESS

Under our Compensation Committee s charter, the Committee sets the CEO s annual compensation after evaluating his performance relative to corporate goals and objectives set by the Committee each year. The Compensation Committee also has the authority to:

- approve initial offers of employment for senior executives;
- make recommendations to the Board regarding compensation programs and policies affecting our executives as well as our other employees;
- make recommendations on the form and amount of director compensation;
- approve all equity awards to our senior executives and establish the pool for all other equity awards; and
- approve the design of our incentive and equity compensation plans and any changes or amendments to those plans.

Our Compensation Committee generally receives proposals and information from our Chief Human Resources Officer, our CEO and the Committee s independent consultant for their consideration regarding executive compensation and director compensation. The Compensation Committee is permitted to delegate any of its responsibilities to subcommittees in its discretion, but to date has not done so.

At the beginning of each calendar year, our Compensation Committee:

- reviews the incentive plan results from the prior year;
- approves equity awards and incentive cash payments for prior-year performance;
- makes final determinations regarding salaries for the current year;
- approves the Compensation Committee s report for our proxy statement or Form 10-K;
- establishes the performance goals under the incentive plans for the current year;
- reviews the performance of the Committee s independent consultant; and
- conducts a self-assessment.

Mid-year, the Compensation Committee reviews our independent compensation consultant s report regarding our executive compensation program and reviews our employee compensation programs. In the fall of every year, the Compensation Committee reviews our director compensation program, approves any needed changes to the director compensation program and conducts a preliminary assessment of our performance for the year. Our Compensation Committee generally meets at the end of each calendar year to make preliminary decisions regarding the salaries for the next calendar year and to determine the equity awards and incentive cash payments that will be made at the beginning of the next calendar year, subject to final year-end results. In February of the following year, and before any awards are distributed, the Compensation Committee considers the final audited year-end financial results and either confirms or adjusts the preliminary awards accordingly based upon their review.

RISK MANAGEMENT AND COMPENSATION

In line with the Company s requirements for managing compensation risk, the Compensation Committee seeks to ensure that our executive compensation program does not encourage executives to take risks that are inconsistent with the long-term success of the Company. The Compensation Committee believes that AXIS executive compensation program does not encourage inappropriate risk-taking. Specifically, the annual incentive and equity pool under the Company s cash incentive and equity plans are tied to our OROACE and growth in DBVPS, respectively, which ensures that our shareholders short and long-term interests are at the forefront of decision-making for our employees and NEOs.

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Additionally,

- our Compensation Committee retains downward discretion in overseeing our compensation programs, such that meaningful reductions in compensation are possible if our financial results do not meet our expectations, as was the case in 2011 when no annual bonuses were paid to our NEOs, or if our risk management policies or tolerances have been breached;
- our executive compensation Clawback Policy ensures that our executives are not inappropriately rewarded in the event that we are required to restate our financial results;
- our stock ownership guidelines are designed to ensure that the long-term interests of our executives are aligned with those of our shareholders;
- the Chairman of our Compensation Committee meets annually with our Risk Committee to review the Company s compensation policies;
- the Chairman of our Risk Committee is also a member of our Compensation Committee; and
- our Compensation Committee retains an independent compensation consultant, apart from any consultant retained by management, as discussed in detail below.

COMPENSATION COMMITTEE CONSULTANT

Our Compensation Committee has sole authority to select, retain and terminate any consultants or advisors used to provide independent advice to the Compensation Committee and evaluate executive compensation, including sole authority to approve the fees and any other retention terms for any such consultant or advisor. The Compensation Committee engaged Farient Advisors LLC (Farient) as its independent compensation consultant to assist in establishing compensation policies and programs. During 2016, Farient:

- reviewed and advised the Compensation Committee on matters concerning compensation of the CEO and our other NEOs;
- reported on all aspects of short- and long-term compensation program design, including incentive mix, measures and plan leverage;
- reported on emerging trends and developments in executive compensation and corporate governance;
- prepared quarterly formal presentations for the Compensation Committee regarding executive compensation;
- prepared and reviewed compensation benchmarking analysis for each of the Company s senior executives and
- reviewed and advised on director compensation.

Farient did not provide any services to the Company or any of the Company s affiliates other than advising the Compensation Committee on director and executive officer compensation. In January 2017, Farient completed a questionnaire regarding any potential conflicts of interest.

The Compensation Committee reviewed the completed questionnaire and evaluated whether any work performed by Farient raised a conflict of interest. The Compensation Committee believes that Farient is independent and that there is no conflict of interest between Farient and the Compensation Committee.

From time to time, management also engages its own external compensation consultant to advise it with regard to the Company s compensation programs generally, prepare reports that compare our compensation programs to those of peer companies and help ensure the competitiveness and appropriateness of our compensation programs.

2016 PEER BENCHMARKING

Although AXIS gives careful consideration to each element of total compensation, we evaluate our competitive position with respect to our NEOs on a total direct compensation basis, which consists of base salary and short and long-term incentives. We consider market pay practices when setting executive compensation, as the Compensation Committee uses benchmarking from our peer group and other industry-specific compensation surveys to guide decision-making with respect to executive pay levels. As a part of its evaluation, Farient provided

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executive compensation data, information on current market practices and alternatives to consider when determining compensation for our NEOs. In 2016, Farient advised on our peer group and then benchmarked our executive compensation program design, executive pay, and performance against that peer group and other industry-specific compensation surveys. The peer group is composed of insurance and reinsurance companies that are publicly traded and comparable to AXIS in product offerings, market segment, geography, annual revenues, premiums, assets and market value. The Committee reviews the composition of the peer group with its independent compensation consultant annually. In May 2016, the Committee approved the deletion of The Chubb Corporation and the addition of Argo Group International Holdings, Ltd. to the AXIS peer group. In addition, PartnerRe Ltd. was removed from the peer group due to recent merger activity. The peer group approved by the Committee in May 2016 consisted of the following companies:

Peer Group Companies

Alleghany Corporation

Allied World Assurance Company Holdings, Ltd.

Arch Capital Group Ltd.

Argo Group International Holdings, Ltd.

Aspen Insurance Holdings Limited

Everest Re Group, Ltd.

Endurance Specialty Holdings Ltd.

Markel Corporation

Renaissance Re Holdings Ltd.

Validus Holdings Ltd.

W.R. Berkley Corporation

XL Group Ltd.

In addition to the primary peer group (listed above), Farient recommended adding an international reference peer group in order to better evaluate pay practices and trends. The Committee approved the creation of the reference peer group of Munich Re, Chubb Limited, Swiss Re Ltd., Hannover SE, SCOR SE, RSA Insurance Group plc, Beazley plc and Hiscox, Ltd. While the Committee may use this group to benchmark our compensation design in the future, this group was not used to benchmark our NEOs compensation in 2016.

KEY COMPONENTS OF COMPENSATION

The following table lists the elements of target direct compensation for our 2016 executive compensation program. The program uses a mix of fixed and variable compensation elements and provides alignment with both short- and long-term business goals through annual and long-term incentives. Our incentives are designed to drive overall Company, segment and individual performance using financial and non-financial measures the Committee believes are correlated to gains in shareholder value. The Committee establishes the performance measures and ranges of performance for the variable compensation elements.

	Component	Purpose
Fixed	Base Salary	Attract and retain executives Compensate executives for level of responsibility and experience
Variable	Annual Incentive Awards	Reward achievement of annual Company financial and non-financial objectives, which include individual and business unit performance goals Promote accountability and strategic decision-making
Variable	Long-Term Incentive Awards	Align the interests of our NEOs with those of our shareholders by rewarding the achievement of long-term goals Encourage strategic long-term decision-making Promote accountability Retain key executives

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BASE SALARY

Salaries are the most basic form of compensation and are integral to any employment arrangement. Our main consideration in determining base salaries is to remain competitive. We also seek to balance a logical salary structure within the Company globally reflecting the demands of the market for executive talent. A competitive salary allows us to attract and retain key staff.

Placement of our NEOs within a salary range is based on the market data for an individual s position, the executive s expertise and historical compensation, geographic location, individual performance and the Compensation Committee s determination of competitiveness and appropriate levels based on the CEO s recommendations (other than with respect to his own salary).

The base salary for Mr. Benchimol was established in May 2012 when he was appointed as our CEO and President after previously serving as our Chief Financial Officer. Mr. Benchimol s salary was determined by the Compensation Committee, after review of peer company chief executive officer compensation, and was set at and remains $1.1 million per year. Messrs. DiSipio, Henry, Nichols and Wilson s salaries are governed by their employment agreements within the salary structure discussed above.

The CEO recommends annual salary increases, if any, for our NEOs (except for himself) at the end of each calendar year. The Compensation Committee reviews and approves the increases, if any, using the guidelines described above. The Compensation Committee reviews and evaluates the performance of the CEO and approves any changes to his salary. Those decisions are then reviewed and ratified by the independent directors of our Board.

The following table reflects the Compensation Committee s decision to make no changes to our NEOs base salaries for 2017:

Name	FY 2016 Base Salary ($)	FY 2017 Base Salary ($)
Albert A. Benchimol	1,100,000	1,100,000
Christopher N. DiSipio	500,000	500,000
Joseph C. Henry	565,000	565,000
John D. Nichols	900,000	900,000
Peter W. Wilson	800,000	800,000

ANNUAL INCENTIVE AWARDS

Annual incentive compensation for our NEOs is provided under our 2014 Annual Incentive Plan. The 2014 Annual Incentive Plan is intended to provide for more formulaic annual incentive payouts to our NEOs and serves as a critical tool for rewarding the achievement of our annual corporate goals.

In order to achieve a competitive total compensation package, we established individual annual incentive targets expressed as a percentage of salary for each NEO. Annual incentive targets for our NEOs are governed by the terms of their employment agreements, but are not guaranteed. The individual annual incentive targets for our NEOs for 2016 and 2017 are as follows:

Name	2016 Bonus Target	2017 Bonus Target
Albert A. Benchimol	175%	175%
Christopher N. DiSipio	100%	100%
Joseph C. Henry	100%	100%
John D. Nichols	125%	125%
Peter W. Wilson	125%	125%

Annual incentive compensation is determined based on OROACE, business unit financial metrics and individual non-financial metrics as follows:

For the OROACE metric, payout factors ranged from 0% to 200%, with 9% OROACE yielding 100% of target payout and 14% and above yielding a 200% of target payout and pro-rata funding based on other results.

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For the achievement of business unit financial metrics (where applicable) and individual non-financial metrics, payout factors can also range between 0% and 200%.

Additionally, the Compensation Committee approved 2016 weightings for each of these metrics for our CEO and other NEOs as follows:

Metric	Financial Metric Weighting	Non-Financial Weighting	Business Unit Financial Metric Weighting
CEO	70%	30%	N/A
Business Unit Leaders	35%	30%	35%
Corporate Function Leaders	60%	40%	N/A

Performance Results and Payouts

With respect to our financial goals for the year, AXIS achieved an annual OROACE of 7.9%, which resulted in a payout factor of 89%. For the business unit financial metric, payout factors ranged from 65% to 110 %. For non-financial metrics, payout factors ranged from 101% to 135%, based on Company performance and each NEO s relative contribution to the advancement of our strategic initiatives, as described in the 2016 Business Highlights section above.

The combined, adjusted weighting for all metrics resulted in bonus payments to our NEOs ranging from 93% to 107% of their 2016 bonus targets. The tables below illustrate the calculation used for each of our NEOs under the Annual Incentive Plan to determine bonus payouts:

Albert A. Benchimol

2016 Metric	Payout Factor	x Weighting	= Adjusted Weighting	x Target Bonus	= Bonus Payout
OROACE	89%	70%	62.3%		$ 1,199,275
Non-Financial	130%	30%	39.0%	$1,925,000	$ 750,750
TOTAL			101.3%		**$ 1,950,025**

Christopher N. DiSipio

2016 Metric	Payout Factor	x Weighting	= Adjusted Weighting	x Target Bonus	= Bonus Payout
OROACE	89%	35%	31.2%		$ 155,750
Business Unit Financial	110%	35%	38.5%	$ 500,000	$ 192,500
Non-Financial	115%	30%	34.5%		$ 172,500
TOTAL			104.2%		**$ 520,750**

Joseph C. Henry

2016 Metric