

AXIS CAPITAL HOLDINGS LTD
Form DEF 14A
March 27, 2018
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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):

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(4) Date Filed:

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**Notice of Annual General Meeting
of Shareholders and
2018 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 27, 2018

Dear Shareholder:

You are cordially invited to attend the 2018 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 Wednesday, May 2, 2018 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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Wednesday, May 2, 2018 at 8:30 a.m. local time

AXIS House

92 Pitts Bay Road

Pembroke HM 08

Bermuda

1. To elect the two Class I Directors listed herein to hold office until 2021;
2. To approve, by non-binding vote, the compensation paid to our named executive officers;
3. To appoint Deloitte Ltd., Hamilton, Bermuda, to act as our independent registered public accounting firm for the fiscal year ending December 31, 2018 and to authorize the Board of Directors, acting through the Audit Committee, to set the fees for the independent registered public accounting firm;
4. To transact such other business as may properly come before the meeting or any postponement or adjournment thereof.

Close of business on March 8, 2018

By Order of the Board of Directors,

Conrad D. Brooks

Corporate Secretary

March 27, 2018

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 27, 2018. The Proxy Statement, the 2017 Annual Report to Shareholders and the Form 10-K of AXIS Capital Holdings Limited for 2017 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
2018 Annual General Meeting**

Wednesday, May 2, 2018

8:30 a.m. local time

AXIS House

92 Pitts Bay Road

Pembroke HM 08

Bermuda

Directions to the 2018 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, and AXIS Capital refer to AXIS Capital Holdings Limited.

Agenda

1. The election of the two nominees for Class I Directors as identified in this proxy statement.
2. The approval, by non-binding vote, of the compensation paid to our named executive officers.
3. To appoint Deloitte Ltd. (Deloitte) to act as our independent registered public accounting firm for the fiscal year ending December 31, 2018 and the authorization of our Board, acting through the Audit Committee, to set the fees for the independent registered public accounting firm.
4. 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 27, 2018.

Record Date

March 8, 2018. On the record date, there were 83,518,557 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; and (iii) the appointment of Deloitte.

In determining whether: (i) a director nominee has been elected by the shareholders; (ii) the compensation paid to our named executive officers

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has been approved; and (iii) 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.

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 two nominees for Class I director; (ii) the approval, by non-binding vote, of the compensation paid to our named executive officers; and (iii) the appointment of Deloitte, 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.

2017 Company Financial Performance

2017 net income available to common shareholders was (\$416 million) and non-GAAP operating return on average common equity (OROACE) was (5.4%), as compared to \$465 million and 7.9%, respectively, in 2016.

During 2017, we returned \$418 million to shareholders, through \$132 million in reinvested dividends and \$286 million in share repurchases. Since our 2003 initial public offering, the Company has repurchased approximately 112 million shares for a total of \$4.4 billion.

The quarterly dividend was increased by 3% in December 2017 to \$0.39 per share, representing the fourteenth consecutive annual dividend increase since we declared our first dividend following our initial public offering.

Diluted book value per common share (DBVPS) rose at an annual compounded rate of 9.6% from 2002 through 2017 and diluted book value per common share, adjusted for accumulated dividends declared, increased at a 11.2% annual compounded rate for the same period.

Executive Compensation Program *Key Features*

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 named executive officers (NEOs) and other senior executives are split evenly between performance-vesting and time-vesting awards;

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 Item 10(e) SEC Regulation S-K. Refer to Non-GAAP Financial Measures in the Company s Form 10-K for the year ended December 31, 2017 for additional information and a reconciliation to the nearest GAAP financial measure (ROACE).

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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

Equity awards for staff (excluding NEOs and senior executives) are generally settled 50% in cash at vesting 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 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 I director expires at this year's Annual General Meeting to be held on May 2, 2018; the term of office for each Class II director will expire at the Company's Annual General Meeting in 2020; 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.

Two Class I directors are to be elected at the meeting to hold office until the Company's Annual General Meeting in 2021. 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 36 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;

Mr. Butt s 51 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;

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

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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, acquisitions and management;

Mr. Smith's background and extensive international banking experience, including his 31 year career with the Bank of Bermuda; 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. Butt and Davis for election as directors at the 2018 Annual General Meeting, the Board considered their valuable contributions to the Company's success during their term of Board service.

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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
Michael A. Butt	75	I	Chairman of the Board of Directors
Charles A. Davis	69	I	Independent Director

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 Assicurazioni. 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 is also a director of The Hershey Company and The Progressive Corporation.

Recommendation of the Board

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

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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	60	III	Chief Executive Officer and President
Robert L. Friedman	75	II	Independent Director
Christopher V. Greetham	73	III	Independent Director
Maurice A. Keane	76	III	Independent Director
Cheryl-Ann Lister	61	II	Independent Director
Thomas C. Ramey	74	II	Independent Director
Henry B. Smith	69	III	Independent Director
Wilhelm Zeller	73	II	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.

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.

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.

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

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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.

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.

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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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.