AXIS Capital Holdings Limited

Corporate Governance Guidelines

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The Board of Directors (the "Board") of AXIS Capital Holdings, Limited (the "Company") has adopted the following Corporate Governance Guidelines. These Guidelines, along with the Code of Business Conduct and the charters of the standing board committees, provide a framework for the corporate governance of the Company. This framework reflects the Board's belief that good corporate governance will maximize shareholder value over the long-term through diligent oversight of policy, processes and decisions at both the management and the Board level.

1. Director Qualification Standards

a. Independence

The Board shall be composed of a majority of directors who are independent of the Company's management. For a director to be deemed "independent," the Board shall affirmatively determine that the director has no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company). In making this determination, the Board shall refer to the independence requirements of the New York Stock Exchange ("NYSE") and other requirements set forth in applicable laws, rules and regulations.

The Board shall undertake an annual review of the independence of all non-employee directors. Directors have an affirmative obligation to inform the Board of any material changes in their circumstances or relationships that may impact their designation by the Board as "independent."

The Board has established the following guidelines to assist it in making independence determinations:

1. A director will not be independent if: (i) currently, or within the preceding three years the director is or was employed by the Company or any of its subsidiaries; (ii) currently, or within the preceding three years an immediate family member (as defined in NYSE rules) of the director is or was employed by the Company or any of its subsidiaries as an executive officer; (iii) (a) the director is a current partner or employee of a firm that is the Company's internal or external auditor; (b) the director has an immediate family member who is a current partner of such a firm; (c) the director has an immediate family member who is a current employee of such a firm and personally works on the Company's audit; or (d) the director or an immediate family member was within the last three years a partner or employee of such a firm and personally worked on the Company's audit within that time; (iv) currently, or within the preceding three years the director is or was part of an interlocking directorate in which an executive officer of the Company serves or served on the compensation committee of another company that concurrently employs

or employed such a director or an immediate family member of the director, as an executive officer; or (v) currently, or within the preceding three years the director or his or her immediate family member receives or received from the Company any compensation, fees or benefits in an amount greater than $120,000 during any twelve-month period, other than (a) pursuant to standard compensation arrangements applicable to non-management directors generally; or (b) compensation paid to an immediate family member of a director who is a non-executive employee of the Company.

2. The following commercial relationships will be considered to be material relationships that would impair a director's independence until three years after such relationships cease: a director is a current employee, or the director's immediate family member is a current executive officer, of a company that does business with the Company and the payments to, or payments from, the Company for property and services are, in any single fiscal year, more than the greater of $1 million or 2% of the consolidated gross revenues of the other company, in each case measured by the last completed fiscal year of the other company. Any such commercial relationship involving payments of less than the greater of such amounts will be considered to be a relationship that does not impair independence.

3. The following charitable relationships will be considered to be material relationships that would impair a director's independence until three years after such relationships cease: a director serves as an officer, director or trustee of a charitable organization, and the Company's discretionary charitable contributions to the organization exceed 5% of that organization's total annual operating expenses (the Company's matching of employee charitable contributions will not be included in the amount of the Company's contributions for this purpose). Any such charitable relationship not involving contributions exceeding the 5% test described above will be considered to be a relationship that does not impair independence.

4. The Board shall disclose the foregoing independence standards and may make a general disclosure for each director who meets these standards. Any determination of independence for a director who does not meet these standards must be specifically explained in the Company's next proxy statement.

b. Qualifications

The Company's directors shall be persons who combine the highest standards of integrity and significant accomplishments in their chosen field of endeavor. Directors shall bring a diversity of experiences, skills and perspectives to the Board. In considering the qualifications of directors standing for re-election and candidates for Board membership, the Board will consider the following factors:

- Qualities of intelligence, honesty, perceptiveness, good judgment, high ethics and standards, integrity and fairness;
- Experience, knowledge and skills in business judgment, leadership, strategic planning, general management practices and crisis response;
- Experience, knowledge and skills in the insurance and reinsurance industry, the financial markets or related legal and regulatory matters;
- An understanding of generally accepted accounting principles and financial statements, experience applying generally accepted accounting principles to financial statements, experience preparing or auditing financial statements, experience with internal controls and procedures for financial reporting and an understanding of Board committee functions;
- Maintenance of an appropriate range of age to provide the benefit of different perspectives and to facilitate appropriate continuity of Board members with respect to desired skills and experience;
- Any other factors that would promote different perspectives on the Board which may include independence from management, age, race, gender, ethnicity and national origin;
- Conflicts of interest that would interfere with the duty of loyalty owed to the Company;
- Willingness and ability to commit the time required to fully discharge responsibilities to the Board, including the time to prepare for Board and committee meetings by reviewing the materials supplied prior to such meetings;
- Commitment to use best efforts to attend all meetings of the Board and applicable committees of the Board; and
- Willingness to advance individual opinions and to support decisions made by a majority of the Board.

Potential nominees to the Board should be referred to the Corporate Governance and Nominating Committee. The Corporate Governance and Nominating Committee will conduct all necessary and appropriate inquiries into the background and qualifications of each potential director nominee. In evaluating new director candidates, the Corporate Governance and Nominating Committee will carefully consider the benefits to the Company of race, gender, ethnicity and national origin diversity in Board composition.

The Corporate Governance and Nominating Committee will recommend director nominees to the Board for shareholder approval at the annual meeting of shareholders.

The Board shall periodically review its membership to assure the appropriate balance of skills and characteristics.

c. Time Commitment

Directors shall commit the appropriate time for meeting preparation, meeting attendance and other corporate governance matters. Absent exigent circumstances, each director is expected to attend each Board meeting, each meeting of a Board committee on which he or she serves and each annual meeting of shareholders. Each director must review meeting materials in advance of the meetings and spend the requisite time and energy to properly discharge his or her duties. Each director shall notify the Board in writing of all other public company boards on which such director serves. Without specific approval from the Board, no director may serve on more than five public company boards (including the Company's Board), and no member of the Audit Committee may serve on more than three public company audit committees (including the Company's Audit Committee). In addition, directors who also serve as CEOs or in equivalent positions generally should not serve on more than two public company boards, including the Company's Board, in addition to their employer's board.

d. Number

The desirable target number of directors is between nine and 16. The Company believes that this range allows for the necessary diversity of experience without sacrificing accountability or effective debate. However, changing circumstances may require a higher or lower number.

e. Chairman

The Board will appoint its Chairman of the Board (the "Chairman") at the annual meeting of the Board. The Chairman is not required to be independent from management. The Chairman shall moderate Board meetings.

f. Term Limits, Tenure and Succession

There shall be no term limits imposed on director tenure. The Board believes that continuous, experienced leadership provides a valuable asset to the Company. The Board, with the assistance of the Corporate Governance and Nominating Committee, shall develop and maintain a director succession plan.

2. Director Responsibilities and Duties

a. Role of Board and Management

The Company's business is conducted by its employees, managers and officers under the management of the Chief Executive Officer ("CEO") and the oversight of the Board. The Board is elected by the shareholders to oversee the actions and results of management and to advance the shareholders' interests in maximizing value over the long-term.

b. Director Responsibilities

Directors shall exercise their business judgment to act in ways they reasonably believe to reflect the best interests of the Company and its shareholders. The Board is ultimately responsible for maintaining the integrity of the Company. The Board is also responsible for:

- Overseeing the operations and results of business;
- Evaluating and approving sound business strategies;
- Selecting and evaluating the CEO;
- Planning for succession with regard to directors and management;
- Assessing major risk factors and reviewing policies to manage and mitigate risk; and
- Assuring the Company's business is conducted on an ethical basis in compliance with applicable laws, rules and regulations.

In discharging their responsibilities, directors are entitled to rely on the integrity of management, outside advisors and outside auditors.

The proceedings and deliberations of the Board and its committees are confidential. Each director shall maintain the confidentiality of information received in connection with his or her service as a director.

c. Duties of Non-Management Directors

Non-management directors must meet at regularly scheduled executive sessions without management present. In addition, if the non-management directors include any directors who are not "independent" in accordance with the standards set forth above, the independent directors alone shall hold at least one meeting per year. If the Chairman is an employee of the Company or is otherwise not independent, the independent directors shall elect or reaffirm by majority vote a "Lead Independent Director", as discussed in more detail below. The Lead Independent Director, or the Chairman, if the Chairman is independent, shall lead the executive sessions. Non-management and independent directors may meet at other times as determined by the Lead Independent Director or a majority of non-management or independent directors. The Lead Independent Director shall provide notice of all such meetings to all of the directors.

These meetings will address such topics as determined by the Lead Independent Director or other non-management or independent directors. These executive sessions also shall serve as a forum for the annual evaluation of the performance of the CEO, the annual review of the CEO's plan for management succession and the annual evaluation of the performance of the Board.

The Chairman and the CEO will be briefed on the substance of the issues addressed at these meetings, as appropriate.

For purposes of these Guidelines, "non-management directors" are all those directors who are not Company officers (as that term is defined in Rule 16a-1(f) under the U.S. Securities Act of 1933) and include directors who are not independent by virtue of a material relationship, former status or family membership, or for any other reason.

d. Lead Independent Director

In addition to the duties of all Board members, which shall not be limited or diminished by the Lead Independent Director's role, the specific responsibilities of a Lead Independent Director shall include: (i) presiding at executive sessions of the non-management and independent directors as well as all meetings at which the Chairman is not present; (ii) providing input on meeting agendas and information that is sent to the Board; (iii) assisting in scheduling Board meetings; (iv) acting as a liaison between the independent directors and the Chairman; (v) recommending, as appropriate, that the Board of Directors retain consultants who will report directly to the Board of Directors; and (vi) if requested by major shareholders, consulting and communicating with such shareholders on an as-requested basis.

The Lead Independent Director shall be elected by a vote of the independent directors for a term of office of three (3) years or until his or her successor shall be duly appointed.

e. Compliance with Company Policies

All directors must comply with the Code of Business Conduct and all other Company policies, including the Insider Trading Policy and the Corporate Disclosure Policy.

3. Operation of Board Meetings

a. Meeting Schedule and Agenda

Regular meetings of the full Board shall be held at least one (1) time per quarter with special meetings as necessary. Meetings will be scheduled as far in advance as possible to accommodate directors' schedules.

The Chairman shall set the agenda for each meeting. Directors are entitled to raise issues at meetings not specifically on the agenda. In addition, the Chairman shall develop a standing agenda, which shall set forth a general agenda of topics to be addressed at regularly scheduled meetings during the year.

b. Meeting Materials and Minutes

Meeting materials should be distributed at least one week in advance of the meeting to allow for adequate review; provided, however, quarterly earnings release materials will be distributed as promptly as practicable. Efforts will be made to provide concise meeting materials. Highly sensitive material can be presented at the meeting. Minutes shall be kept at each meeting. Minutes shall be kept by the Company's Secretary at the registered office of the Company.

c. Meeting Attendance

Each director is expected to attend every meeting. Attendance by senior management is encouraged to provide directors with additional insight. Unless the Board directs otherwise, the Chairman and/or CEO may invite additional people to attend on a regular basis.

4. Board Committees

a. Purpose

Committees shall be established by the Board to facilitate and assist in the execution of the Board's responsibilities. The Board may establish and maintain committees as appropriate under the circumstances.

b. Standing Committees

The Board shall have, at all times, an Audit Committee, a Compensation Committee, a Corporate Governance and Nominating Committee, a Finance Committee and a Risk Committee.

All members of these committees, with the exception of the Finance Committee and Risk Committee, shall be independent directors under the independence requirements of the New York Stock Exchange and other requirements set forth in applicable laws, rules and regulations. If a director ceases to be independent under these standards while serving on one of these committees, he or she should promptly resign.

The Board will appoint committee members with the assistance of the Corporate Governance and Nominating Committee. Committee members may be periodically rotated as appropriate. The Board should give consideration toward appointing the Lead Independent Director as the Chair of the Corporate Governance and Nominating Committee and Executive Committee.

Each committee shall have a written charter that sets forth the purpose, duties and responsibilities of each committee as well as the qualifications of each committee member. Each charter will require an annual self-evaluation of the committee's performance and the adequacy of the committee's charter.

c. Operation of Committee Meetings

The Board shall appoint a chairman for each committee. Committee chairmen are entitled to cast a vote to resolve any ties. The committee chairman, in consultation with the Chairman, will determine the frequency, length and agenda for each meeting. A schedule of meeting dates and topics shall be developed (to the extent possible) and distributed to the committee members at the beginning of each year.

Meeting materials should be distributed at least one week in advance of the meeting to allow for adequate review. Minutes will be kept at each meeting, and the committee shall regularly report to the full Board.

d. Quorum

Quorum will be established by the presence, in person or by duly authorized representative, of a majority of the committee members.

5. Director Access to Officers, Employees and Outside Advisors

Directors shall have unrestricted access to all members of the Company's Executive Committee, officers and employees of the Company, including internal auditors, risk management personnel and legal counsel. In order to avoid disruption to the Company's business and operations, directors are encouraged to arrange such access through the Chairman, Lead Independent Director or CEO. Directors are expected to use their judgment to ensure that such contact is not distracting to the Company's business operations. Directors will make the Chairman and the CEO aware of the substance of such communications. Unless inappropriate, directors will copy the CEO on written communications between the director and a Company officer or employee. Directors will be reimbursed for reasonable travel expenses properly incurred by them in attending such meetings with management that are at the direction of, or have been pre-approved by, the Chairman, Lead Independent Director or CEO.

The Board, the standing committees and the non-management directors, acting in each case by a majority thereof, shall also have access to and authority to retain independent advisors, including legal counsel, external auditors and financial advisors, if and when deemed necessary.

6. Director Compensation

a. Compensation

The form and amount of director compensation shall be determined by the Board upon the recommendation of the Compensation Committee. In doing so, the Board and the Compensation Committee shall be guided by the following principles:

- Director compensation should be comparable to companies of similar size, complexity and industry;
- Director compensation should align the interests of directors with those of the shareholders;
- The structure of director compensation should be transparent; and
- Compensation for committee service may vary depending upon required time commitment and nature of duties and responsibilities, so long as the additional compensation is of the same form available to all directors.

Employee directors are not paid additional compensation for their service as directors.

b. Independence Concerns

In determining the form and amount of director compensation and director independence, it must be considered that directors' independence may be jeopardized if director compensation exceeds what is customary. Similar concerns are raised if substantial charitable contributions are made to an organization with which the director is affiliated, or if the Company provides other types of indirect compensation to a director (including, for example, entering into a consulting contract with a director or an organization with which the director is affiliated).

c. Review

Senior management shall periodically review director compensation. Any modifications to director compensation suggested by senior management will be proposed to the Compensation Committee and, if appropriate, the full Board.

The Compensation Committee, in consultation with senior management, shall conduct an annual review of director compensation, as well as an annual review of the principles for determining compensation form and amount.

7. Directors' and Officers' Insurance and Indemnification

The Company shall use best endeavors to purchase directors' and officers' liability insurance on behalf of the directors. Directors are also entitled to the benefits of indemnification to the fullest extent permitted by law and Company policy.

8. Director Orientation and Continuing Education

Each new director must participate in the Company's Director Orientation Program, which shall be conducted within six months of election. The Chairman, the CEO, the Chief Financial Officer and legal counsel shall be responsible for developing the Director Orientation Program.

The Director Orientation Program will consist of visits to Company headquarters and other important locations, as time permits. Directors will receive personal briefings by senior management on subjects including:

- Strategic business plans and long-term goals;
- Financial statements and significant accounting issues;
- Risk management issues;
- Regulatory compliance programs;
- The Code of Business Conduct;
- The reporting system for integrity concerns; and
- Any other topics that will assist directors in discharging their duties.

The directors can expect regular updates from senior management and legal counsel on matters that will assist directors in discharging their duties. Such matters include changes in legal, accounting or regulatory requirements.

In addition to any continuing education programs offered to the directors by the Company, the directors are encouraged to participate in continuing education programs developed and offered by third parties. Expense reimbursement relating to third party continuing education programs shall require pre-approval by the Company's General Counsel.

9. Management Succession Planning

The Board, in consultation with the Chairman and the CEO, shall adopt a management succession plan that addresses policies regarding succession in the event of an emergency or CEO retirement. The CEO should make available his or her recommendations and evaluations of potential successors, along with any development plans recommended for such individuals. The CEO shall also maintain a confidential, written procedure to guide the timely and efficient transfer of his or her responsibilities.

10. CEO Selection and Performance Review

a. Selection

The Board shall be responsible for selecting the CEO. CEO selection should be guided by the following principles:

- The CEO of AXIS should uphold the highest standards of integrity;
- The CEO of AXIS should uphold the highest standards of professional performance; and
- The CEO of AXIS should be capable of successfully directing the Company's operations and results.

b. Performance Review

The Compensation Committee will conduct an annual performance review of the CEO. This evaluation should be based on the above principles, in addition to an objective assessment of the Company's business performance and the accomplishment of long-term strategic goals. The full Board will review the Compensation Committee’s report in order to ensure that the CEO is providing the best leadership for the Company, both in the long- and short-term.

11. Annual Performance Evaluation of the Board of Directors

The Board and each Board committee shall conduct an annual self-evaluation to determine the effectiveness of the Board and its committees. The Corporate Governance and Nominating Committee shall develop and oversee the self-evaluation process.

The purpose of this review is not to single out the performance of particular directors, but to improve the Board's performance as a whole. This review will focus on the Board’s contribution to the Company and on particular areas in which the Board or management believes that the Board could improve. The assessment will also focus on the characteristics of the Board members to ensure the proper range of talent, skill and expertise necessary to provide sound guidance to the Company.

12. Periodic Review

a. Internal Controls

The Audit Committee shall periodically review the internal controls to evaluate their effectiveness and shall periodically report to the full Board. The Board will make modifications as appropriate.

b. Corporate Guidelines

The Corporate Governance and Nominating Committee shall annually review and evaluate these Guidelines for effectiveness and compliance with the requirements of the New York Stock Exchange and other requirements set forth in applicable laws, rules and regulations. The Guidelines are subject to modification by the Board upon recommendation by the Corporate Governance and Nominating Committee.

13. Communications with Stockholders

The Chairman of the Board and the President and Chief Executive Officer are responsible for establishing effective communications with all interested parties, including stockholders of the Company. It is the policy of the Company that management speaks for the Company. This policy does not preclude outside directors, including the Lead Independent Director, from meeting with stockholders, but it is suggested that, in most circumstances, any such meetings be held with management present.

14. Communications with Directors

Interested parties may communicate directly with the Board by sending written notice to the Company's Secretary. The notice may specify whether the communication is directed to the entire Board, to the non-management directors or to a particular Board committee or director. The Company's 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 or she so determines, will forward the communication to the Chairman, to the non-management directors or to the appropriate committee chairman or director. At each meeting of the Board, the Company's Secretary shall present a summary of all communications received since the last meeting that were not forwarded and shall make those communications available to the directors upon request.

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