



AXIS Capital Holdings Limited

Tax Strategy

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Introduction

The purpose of this document is to outline the business tax arrangements of AXIS Capital Holdings Limited and Subsidiaries (“AXIS” or “the Group”). This Tax Strategy applies to AXIS and is published on our website to comply with UK Tax law. AXIS is a global provider of specialty lines insurance and treaty reinsurance.

Approach to Managing Tax

Through our proactive and holistic approach to managing tax risk, our objectives are to comply with all the applicable tax laws and regulations impacting our business whilst effectively managing our tax exposures.

In line with our code of conduct, it is AXIS’s policy to comply with the requirements of tax legislation in the jurisdictions, in which we operate, and to comply with filing and payment obligations for statutory tax returns and declarations required and maintain supporting records for the required period. AXIS’s policy is to exercise due care in its compliance with the relevant laws and regulations. This applies in respect of AXIS’s own tax liabilities and also to taxes collected on behalf of the tax authorities.

Overview of Approach to Tax Risk Management and Governance

The Board is ultimately accountable for managing the Group’s tax affairs. The Board Risk Committee assists the Board in overseeing the integrity and effectiveness of the Group’s Enterprise Risk Management framework, and ensuring that the Group’s risk assumption and risk mitigation activities are consistent with that framework.

With respect to Tax Risk, the Risk Committees key oversight responsibilities are to:

- Review and approve the Tax Risk Standard and Tax Risk Policy on an annual basis;
- Review and monitor the design and operating effectiveness of the tax risk governance and controls, including management’s assessment of the level of operational risk via the quarterly Operational Risk Register; and

- Approve any changes to the Group's tax risk appetite framework;

The Audit Committee of the Board is responsible for overseeing the adequacy and effectiveness of the Group's internal controls, compliance with regulatory and legal matters and fraud mitigation.

On a day to day basis tax risks are managed under the direction of our Director of Tax, supported by Head of Tax EMEA, and a Head of Tax, North America. The Director of Tax reports into the CFO who is a member of the Board.

Our business operations give rise to tax obligations in the various jurisdictions in which we operate. Tax risk represents the risk of non-compliance with tax legislation within each jurisdiction as well as the unintended tax exposure from specific transactions or business decisions. Tax risk also encompasses the underlying risks of applying tax laws and regulations to the business operations of the Group.

There is also a risk that any fundamental change in tax laws or international taxing principles could materially impact AXIS. Tax issues are often complex, multi-faceted and subject to ongoing change. As our network of international offices, business platforms, new initiatives and structures continues to expand, our approach to the inherent risk of tax must be managed and mitigated to within tolerances. We utilize a risk assessment tool that assists us in carrying out a qualitative assessment of our tax risk annually. This is a key control in managing risk.

AXIS will report all disclosable transactions as required to the relevant authorities in accordance with the regulations that govern such reporting, and has systems and processes in place to effectively manage its tax obligations as and when they fall due.

We carry out various levels of review and sign off of quarterly tax calculations and related financial disclosures. Reviews are carried out by the Heads of Tax and significant items are also reported to the Executive Committee and ultimately to the Board if appropriate. We engage with external advisors to assist with global tax compliance.

Attitude Towards Tax Planning and Levels of Risk Taken

Our approach to tax planning and the level of tax risk we are willing to take is informed by our tax principles and our code of conduct. We will only undertake tax planning which supports genuine commercial activity and will not engage in artificial transactions where the only purpose of the transaction is to obtain a tax benefit.

The Group will seek to claim available allowances and reliefs against its tax charge and to structure all affairs in a manner that optimizes its long term return on capital, thus delivering maximum after tax return to our shareholders.

We may operate in low-tax or no-tax jurisdictions, however we allocate profits where value is created through commercial business activity and transactions between jurisdictions will not be used solely to reduce tax.

We manage uncertainty and unexpected outcomes in all our material tax positions ensuring we stay within our risk appetite at all times.

We may from time to time, when certain issues arise that involve a heightened level of complexity or uncertainty, seek advice from external advisors.

Tax Principles

Our tax principles are as follows:

- Align the tax function to our overall business strategy.
- Involvement at the front end of business and financial decisions.
- Communication between our Board and senior management on tax risk issues.
- To manage and assess our tax risks annually for scenarios that could impact our business from a financial, reputational, regulatory or compliance perspective.
- Ensure our global transfer pricing policy conforms to international best practises as outlined by the OECD and is supported by economic analysis and formal documentation of the commercial nature of the transactions.
- Monitor the external environment for changes in tax legislation and tax related accounting rules.

Our Code of Conduct

- AXIS has a code of conduct that requires that all of our practices and procedures are consistent with our corporate values. The guiding principles hold all of our employees, officers and directors of the company to the highest standard of business conduct.
- Each employee, officer and director of the Group is expected to conduct the Group business with integrity and to comply with all applicable laws in all jurisdictions in which we operate.
- In conducting relationships with public officials, our standards require honest, accurate and fairness in all reports, records and communications. The Group strives to cultivate a culture of honesty and accountability.
- The Group requires honest, accurate and timely recording and reporting of its business information. Books, accounts, financial statements and records must be maintained in full and accurate detail and must fairly reflect the company transactions. The Group's books, records and reports must conform to the appropriate systems of internal controls, disclosure controls and other legal and regulatory requirements

Relationships with Tax Authorities

In line with AXIS core values, we conduct all dealings with tax authorities in a professional manner. Our dealing with all tax authorities is open and cooperative and should be based on integrity, mutual respect and trust.

We may seek rulings from tax authorities to confirm or clarify a tax position, such ruling requests are based on full disclosure of all relevant facts and circumstances. We will make available for exchange any rulings or details of rulings necessary to comply with international information exchange requirements.

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