

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
JAMES RIVER GROUP HOLDINGS, LTD.		98-0585280	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
Investor Relations	1-441-278-4583	InvestorRelations@jrgh.net	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and Zip code of contact	
PO BOX 1502		HAMILTON HMFX BERMUDA	
8 Date of action		9 Classification and description	
3/28/2016, 6/30/2016, 9/30/2016, 12/29/2016		DISTRIBUTIONS CATEGORIZED AS RETURN OF CAPITAL	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
G5005R107		JRVR	

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ ON MARCH 28, JUNE 30, SEPTEMBER 30, AND DECEMBER 29, 2016 JAMES RIVER GROUP HOLDINGS, LTD (JRGH) MADE CASH DISTRIBUTIONS TO SHAREHOLDERS IN THE AMOUNT OF \$0.20, \$0.20, \$0.20, AND \$1.65 PER SHARE, RESPECTIVELY.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ SHAREHOLDER'S BASIS IS REDUCED \$0.0303 PER SHARE FOR DISTRIBUTIONS MADE ON MARCH 28, JUNE 30, AND SEPTEMBER 30, 2016. FOR DISTRIBUTIONS MADE ON DECEMBER 29, 2016, SHAREHOLDERS BASIS IS REDUCED \$0.2503 PER SHARE.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ FOR THE YEAR ENDING DECEMBER 31, 2016 JRGH HAD CURRENT EARNINGS AND PROFITS OF \$33,668,222. ADDITIONALLY, DISTRIBUTIONS FOR THE YEAR WERE \$39,687,665 AFTER REMOVING PREVIOUSLY TAXED INCOME. THESE DISTRIBUTIONS ARE TAXABLE DIVIDENDS TO THE EXTENT OF CURRENT EARNING AND PROFITS (A DEFICIT IN ACCUMULATED EARNINGS AND PROFITS EXISTS AT THE BEGINNING OF THE TAX YEAR). CURRENT EARNINGS AND PROFIT IS ALLOCATED TO EACH DISTRIBUTION BASED ON THE PROPORTION THAT CURRENT EARNINGS AND PROFIT BEARS TO THE TOTAL OF ALL DISTRIBUTIONS MADE DURING THE YEAR RESULTING IN 84.833% OF DISTRIBUTIONS BEING DIVIDEND INCOME AND 15.167% BEING A RETURN OF CAPITAL. THE 15.167% RETURN OF CAPITAL IS MULTIPLIED BY THE DISTRIBUTION PER SHARE TO CALCULATE THE BASIS ADJUSTMENT.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ TAX TREATMENT IS BASED ON IRC SECTIONS 959(a),(c), AND (d) ALONG WITH TREASURY REGULATIONS 1.959-3(c), 1.959-3(b)(3), AND 1.316-2(b).

18 Can any resulting loss be recognized? ▶ SHAREHOLDER'S BASIS IS REDUCED BY THE AMOUNT OF RETURN OF CAPITAL DISTRIBUTIONS BUT NOT BELOW ZERO. ANY AMOUNT OF THE RETURN OF CAPITAL IN EXCESS OF A SHAREHOLDER'S BASIS IS A CAPITAL GAIN TO THE SHAREHOLDER.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ DISTRIBUTIONS WERE MADE IN THE 2016 TAX YEAR.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ 


Date ▶

1/13/17

Print your name ▶ ADAM ABRAM

Title ▶ CEO

Paid Preparer Use Only

Print/Type preparer's name <u>NATASHA MALIK</u>	Preparer's signature 	Date <u>01/13/17</u>	Check <input type="checkbox"/> if self-employed	PTIN <u>P01259199</u>
Firm's name ▶ <u>ERNST & YOUNG U.S. LLP</u>			Firm's EIN ▶ <u>34-6565596</u>	
Firm's address ▶ <u>2100 E. CARY STREET, SUITE 201 RICHMOND, VA 23223</u>			Phone no. <u>804-344-6000</u>	