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Confirmation of your representation: The attached document is delivered to you at your request and on the basis that you have confirmed to each of BNP Paribas, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, J.P. Morgan Securities plc, Banca IMI S.p.A., Bayerische Landesbank and Natixis (the “**Managers**”) and Demeter Investments B.V. (the “**Issuer**”) that (i) you are located outside United States and not a U.S. person (as defined in Regulation S under the Securities Act); and (ii) if you are in the UK, you are a relevant person; (iii) if you are in any member state of the EEA other than the UK, you are a Qualified Investor; (iv) if you are acting as a financial intermediary (as that term is used in Article 3(2) of the Prospectus Directive), the securities acquired by you as a financial

intermediary in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, any person in circumstances which may give rise to an offer of any securities to the public other than their offer or resale in any member state of the EEA which has implemented the Prospectus Directive to Qualified Investors (as defined in the Prospectus Directive); or (v) you are outside of the UK or EEA (and the electronic mail addresses that you gave us and to which this document has been delivered are not located in such jurisdictions) or (vi) you are a person into whose possession this document may lawfully be delivered in accordance with the laws of the jurisdiction in which you are located.

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The Managers are acting exclusively for the Issuer and no one else in connection with the offer. They will not regard any other person (whether or not a recipient of this document) as its client in relation to the offer and will not be responsible to anyone other than the Issuer for providing the protections afforded to its clients nor for giving advice in relation to the offer or any transaction or arrangement referred to herein.

You are responsible for protecting against viruses and other destructive items. Your receipt of the electronic transmission is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

SERIES PROSPECTUS

DEMETER INVESTMENTS B.V.

(incorporated with limited liability in the Netherlands, having its statutory seat in Amsterdam)

EUR 750,000,000

**Perpetual Fixed to Floating Rate Notes
issued under the Secured Note Programme**

secured by

EUR 750,000,000

Guaranteed Subordinated Perpetual Fixed to Floating Rate Loan Notes

of

SWISS LIFE AG

guaranteed on a subordinated basis by

SWISS LIFE HOLDING AG

Issue Price: 99.105 per cent.

Demeter Investments B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated in the Netherlands, with its corporate seat (*statutaire zetel*) in Amsterdam, the Netherlands (the "Issuer") is offering its EUR 750,000,000 Perpetual Fixed to Floating Rate Notes (the "Notes") secured by the EUR 750,000,000 Guaranteed Subordinated Perpetual Fixed to Floating Rate Loan Notes of Swiss Life AG guaranteed on a subordinated basis by Swiss Life Holding AG (the "Original Collateral", the "Collateral Obligor" and the "Collateral Guarantor", respectively). The Notes will bear interest from (and including) 16 June 2015 (the "Interest Commencement Date"), payable in arrear on each Interest Payment Date (as defined in the "Conditions of the Notes"). From (and including) the Interest Commencement Date to (but excluding) 16 June 2025, the Notes will bear interest at a rate of 4.375 per cent. per annum, and thereafter, the Notes will bear interest at a rate of interest, reset quarterly, of the euro interbank offered rate administered by the European Money Markets Institute for three-month euro deposits plus 3.30 per cent. plus one per cent. per annum, provided that such interest amounts will only be payable to the extent that corresponding interest amounts are received by the Issuer under the Original Collateral (which may be subject to deferral pursuant to the terms and conditions of the Original Collateral), all as more particularly described in "Conditions of the Notes – 7. Interest". The Notes are perpetual securities in respect of which there is no fixed maturity date.

The Notes will be redeemable in the circumstances described in this series prospectus (the "Series Prospectus").

The Notes are secured, limited recourse obligations of the Issuer.

The Notes are expected to be rated BBB+ by Standard & Poor's Credit Market Services Europe Limited. Standard & Poor's Credit Market Services Europe Limited is established in the European Union and is registered under the EU Regulation on credit rating agencies (Regulation (EC) No.1060/2009), as amended.

The Issuer has established its Secured Note Programme (the "Programme") under which the Issuer may from time to time issue notes. Holders of the Notes will not have access to the assets of the Issuer held in connection with any other notes issued pursuant to the Programme and similarly, holders of any other notes issued pursuant to the Programme will not have access to the assets held in connection with the Notes described in this Series Prospectus.

This document is a Series Prospectus, prepared for the purposes of Article 5(1) of Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EC, the "Prospectus Directive"). This Series Prospectus contains information relating to the Notes issued by the Issuer. The Series Prospectus should be read in conjunction with the base prospectus dated 22 December 2014 relating to the Programme of the Issuer which has been approved by the Central Bank (as defined below) (the "Base Prospectus"). Unless defined herein, terms defined in the Base Prospectus have the same meanings in this Series Prospectus.

This Series Prospectus constitutes a "prospectus" for the purposes of the Prospectus Directive.

This Series Prospectus has been approved by the Central Bank of Ireland (the "Central Bank"), as competent authority under the Prospectus Directive. The Central Bank only approves this Series Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market. There can be no assurance that any such listing will be obtained, or if obtained, will be maintained.

References in this Series Prospectus to Notes being "listed" (and all related references) shall mean that such Notes have been admitted to trading on the regulated market of the Irish Stock Exchange and have been admitted to the Official List (the "Official List"). The regulated market of the Irish Stock Exchange is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

Sole Structuring Adviser

Credit Suisse

Joint Lead Managers

BNP PARIBAS

Credit Suisse

Deutsche Bank

J.P. Morgan

Co-Lead Managers

Banca IMI S.p.A.

Bayerische Landesbank

Natixis

The date of this Series Prospectus is 12 June 2015

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This Series Prospectus is supplemental to, and should be read in conjunction with, the Base Prospectus (see the section entitled “Documents Incorporated by Reference” below). This Series Prospectus includes particulars for the purpose of giving information with regard to the issue by the Issuer of the Notes.

The Issuer accepts responsibility for the information contained in this Series Prospectus (which, for the purpose of this section of the Series Prospectus, will include the sections of the Base Prospectus incorporated by reference herein). To the best of the Issuer’s knowledge (having taken all reasonable care to ensure that such is the case) the information contained in this Series Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The information contained in the section of the Series Prospectus entitled “Information Concerning the Collateral Obligor and the Collateral Guarantor” and in the Appendix to this Series Prospectus (the “**Third Party Information**”) has been obtained directly from the Collateral Obligor. The Issuer confirms that the Third Party Information has been accurately reproduced as received and that, so far as it is aware and is able to ascertain from the Third Party Information published, no facts have been omitted which would render the reproduced Third Party Information inaccurate or misleading.

The Issuer has not conducted extensive due diligence on the Third Party Information, or made any enquiries as to its own possession of non-publicly available information. The Issuer has only made very limited enquiries in relation to the Third Party Information, and none of the Issuer, BNP Paribas, Credit Suisse Securities (Europe) Limited (“**Credit Suisse**”), Deutsche Bank AG, London Branch, J.P. Morgan Securities plc (BNP Paribas, Credit Suisse, Deutsche Bank AG, London Branch and J.P. Morgan Securities plc together being the “**Joint Lead Managers**”), Banca IMI S.p.A., Bayerische Landesbank or Natixis (Banca IMI S.p.A., Bayerische Landesbank and Natixis together being the “**Co-Lead Managers**”, and together with the Joint Lead Managers, the “**Managers**”) makes any representation or warranty, express or implied, as to the accuracy or completeness of the Third Party Information and prospective investors in the Notes should not rely upon, and should make their own independent investigations and enquiries in respect of the same.

Subject to the above the Issuer, having made all reasonable enquiries, confirms that this Series Prospectus contains all information with respect to the Issuer and the Notes that is material in the context of the issue and offering of the Notes, the statements contained in it relating to the Issuer are in every material respect true and accurate and not misleading, the opinions and intentions expressed in this Series Prospectus with regard to the Issuer are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions, there are no other facts in relation to the Issuer or the Notes the omission of which would, in the context of the issue and offering of the Notes, make any statement in this Series Prospectus misleading in any material respect and all reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements.

No person has been authorised to give any information or to make any representation other than those contained in this Series Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any Manager. Neither the Issuer nor any Manager is making an offer to sell the Notes in any jurisdiction where the offer or sale is not permitted. Neither the delivery of this Series Prospectus nor any sale of Notes made in connection therewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer, the Collateral Obligor or the Collateral Guarantor since the date of this Series Prospectus or the date upon which this Series Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer, the Collateral Obligor or the Collateral Guarantor since the date of this Series Prospectus or the date upon which this Series Prospectus has been most recently amended or supplemented or that

any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The language of the Series Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under the applicable law.

This document is based on information provided by the Issuer, except for the Third Party Information which has been provided to the Issuer. The Managers, and the Issuer in respect of the Third Party Information, are not making any representation or warranty that this information is accurate or complete and the Managers are not responsible for this information. This Series Prospectus summarises certain documents and other information in a manner the Issuer believes to be accurate, but investors should refer to the actual documents for a more complete understanding of the matters discussed in this Series Prospectus. In making an investment decision, investors must rely on their own examination of the terms of this offering and the Notes, including the merits and risks involved. This offering is being made on the basis of this Series Prospectus. Any decision to purchase the Notes in this offering must be based solely on the information contained in this Series Prospectus.

Neither the Issuer nor the Managers are making any representation to any purchaser of the Notes regarding the legality of an investment in the Notes by it under any legal investment or similar laws or regulations. Investors should not consider any information in this document to be legal, business or tax advice. Investors should consult their own lawyers, business adviser and tax adviser for legal, business and tax advice regarding an investment in the Notes.

The Issuer reserves the right to withdraw the offering of the Notes at any time. The Issuer and the Managers also reserve the right to reject any offer to purchase the Notes in whole or in part for any reason and to allot to any prospective investor less than the full amount of Notes sought by it.

In connection with the issue of the Notes, the Managers may, in accordance with all laws and regulations, over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Managers will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Managers in accordance with all applicable laws and rules.

The distribution of this Series Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Series Prospectus comes are required by the Issuer and the Managers to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933 (the “**Securities Act**”) and are issued in bearer form that are subject to U.S. tax law requirements. The Notes may not be offered, sold or delivered within the United States or to U.S. persons at any time. For a description of certain restrictions on offers and sales of Notes and on distribution of this Series Prospectus, see “Subscription and Sale” below.

Any investment in the Notes does not have the status of a bank deposit and is not within the scope of the deposit protection scheme operated by the Central Bank or any other deposit protection scheme. The Issuer is not and will not be regulated by the Central Bank as a result of issuing the Notes or entering into any other transaction.

The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or any other exchange or regulated trading facility in Switzerland. Neither this Series Prospectus nor any other offering or marketing material relating

to the Notes constitutes (i) an Offering Memorandum as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations, (ii) a listing Offering Memorandum within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland or (iii) a simplified prospectus or a prospectus as such term is defined in the Swiss Collective Investment Scheme Act, and neither this Series Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Series Prospectus nor any other offering and marketing material relating to the offering, the Issuer or the Notes have been or will be filed with or approved by any Swiss regulatory authority. The Notes are not subject to the supervision by any Swiss regulatory authority, including the Swiss Financial Markets Supervisory Authority FINMA ("**FINMA**"), and investors in the Notes will not benefit from protection or supervision by such authority.

This Series Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or any Manager to subscribe for, or purchase, any Notes or to enter into any other transactions.

The Managers have not separately verified the information contained in this Series Prospectus. None of the Managers makes any representation, express or implied, or, to the fullest extent permitted by law, accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Series Prospectus or for any other statement made or purported to be made by a Manager or on its behalf in connection with the Issuer or the issue and offering of the Notes. Each Manager accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Series Prospectus or any such statement.

Prospective purchasers of Notes should have regard to the factors described under the section headed "Risk Factors" in this Series Prospectus. This Series Prospectus does not describe all of the risks of an investment in the Notes. Neither this Series Prospectus nor any financial statements referred to herein are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer or the Managers that any recipient of this Series Prospectus or any such other financial statements should purchase the Notes.

Prospective purchasers of the Notes should conduct such independent investigation and analysis regarding the Issuer, the security arrangements, the Original Collateral, the Collateral Obligor, the Collateral Guarantor and the Notes as they deem appropriate to evaluate the merits and risks of an investment in the Notes. Prospective purchasers of the Notes should have sufficient knowledge and experience in financial and business matters, and access to, and knowledge of, appropriate analytical resources, to evaluate the information contained in, or incorporated by reference into, this Series Prospectus and the merits and risks of investing in the Notes in the context of their financial position and circumstances. None of the Managers undertakes to review the financial condition or affairs of the Issuer, the Original Collateral, the Collateral Obligor or the Collateral Guarantor during the life of the arrangements contemplated by this Series Prospectus or the term of any Notes issued nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Managers. The risk factors identified in this Series Prospectus are provided as general information only and the Managers disclaim any responsibility to advise purchasers of the Notes of the risks and investment considerations associated therewith as they may exist at the date hereof or as they may from time to time alter.

The Issuer will not be providing any post-issuance information in relation to the Notes.

RISK FACTORS

The risk factors set out below should be read in addition to those set out in pages 15 to 41 of the Base Prospectus and, in the event of any inconsistency, the risk factors set out below will prevail. Such risk factors are risk factors that are material to the Notes in order to assess the market risk associated with them or which may affect the Issuer's ability to fulfil its obligations under them. Neither the Issuer nor any Manager is in a position to express a view on the likelihood of any contingency highlighted by a risk factor occurring.

For the purposes hereof, capitalised terms used but not otherwise defined herein will have the meaning given to them in the Conditions of the Notes.

Risks Related to the Notes

Limitations on claims against the Issuer

The Notes are solely obligations of the Issuer and neither the Collateral Obligor nor the Collateral Guarantor (each as defined herein) has any obligation to the Noteholders for payment of any amount due in respect of the Notes. The Issuer is a special purpose vehicle established, *inter alia*, for the purpose of issuing the Notes. The Notes are limited in recourse to the Mortgaged Property which includes, *inter alia*, the Issuer's rights in respect of the Collateral. Other than the Mortgaged Property, there are no other assets of the Issuer available to meet any outstanding claims of the Secured Creditors, including the Noteholders.

Priority of claims

During the term of the Notes, following a Liquidation and on an enforcement of the Security, the rights of the Noteholders to be paid amounts or delivered assets due under the Notes will be subordinated to (i) the payment or satisfaction of all taxes owing by the Issuer, (ii) the fees, costs, charges, expenses and liabilities due and payable to the Trustee including costs incurred in the enforcement of the Security (which may include, for example, the fees of any receiver appointed by the Trustee in the case of an enforcement of the Security and, in all instances, the Trustee's remuneration), (iii) the fees, costs, charges, expenses and liabilities due and payable to the Enforcement Agent including costs incurred in the enforcement of the Security (which may include, for example, the Enforcement Agent's remuneration), (iv) certain amounts owing to the Agents in respect of reimbursement for sums paid by them in advance of receipt by them of the funds to make such payment and (v) the fees of the Disposal Agent.

There is no assurance that the proceeds and/or assets available following payment of any such priority claims will be sufficient to pay in full the amounts that the relevant Noteholders would expect to receive or that such Noteholders will receive back the amount, or assets with a value equal to the amount, they originally invested.

Perpetual Notes

The Notes do not have a fixed maturity date and therefore the Issuer shall not redeem any Notes at any time unless the Notes become due for redemption following the occurrence of a Collateral Call, a Collateral Event, a Tax Event, an Illegality Event or an Event of Default. Investors in the Notes may only receive back some or all of the principal amount in respect of each Note if the Notes become due for redemption following the occurrence of any such event, and the amounts received by investors in respect of each Note may be less than the principal amount of such Note.

Original Collateral subordination and potential deferral of interest payments

The obligations of the Collateral Obligor and the Collateral Guarantor under the Original Collateral are subordinated and will rank junior in priority of payment to the claims of Senior Creditors (as defined in the Collateral Conditions). Furthermore, the Collateral Obligor has the option to defer payments of interest on the Original Collateral when such interest has accrued in respect of an interest period which ends on an Optional Interest Payment Date (as defined in the Collateral Conditions) and may be required to defer payment of interest on the Original Collateral if a Solvency Event (as defined in the Collateral Conditions) has occurred. Certain Deferred Interest (as defined in the Collateral Conditions) may only be payable on the Original Collateral following the prior written approval of FINMA or any successor authority.

Any event that causes the Collateral Obligor and/or the Collateral Guarantor not to make all or part of any payments on the Original Collateral will result in corresponding reductions and delays in respect of interest and principal (if any) payable in respect of the Notes. In addition, any event that causes the Collateral Obligor and/or the Collateral Guarantor not to make all or part of any payments on the Original Collateral, or if there is a perception in the market that any such event may occur, the occurrence of such event, or the perception that any such event may occur, may have an adverse effect on the market value of the Notes.

There is a real risk that the Noteholders may lose all or some of their investment should the Collateral Obligor and/or the Collateral Guarantor become insolvent.

Early redemption of the Notes

The Notes may be redeemed on the occurrence of any of a Collateral Call, a Collateral Event (a Collateral Call and a Collateral Event being events relating to the Original Collateral and/or the Collateral Obligor), a Tax Event, an Illegality Event or an Event of Default (a Tax Event, an Illegality Event and an Event of Default being events relating to the Notes and/or the Issuer and/or amounts receivable by the Issuer in respect of the Original Collateral).

Following the occurrence of any such event, the Collateral may be liquidated by the Disposal Agent (where such event constitutes a Liquidation Event) or the Security, including those in respect of the Original Collateral, may be enforced (refer to Condition 14(b) (*Enforcement of Security*) for a description of when the Security may become enforceable) in order to fund the payment of the Early Redemption Amount on redemption of the Notes.

If the Notes are redeemed upon the occurrence of a Collateral Call, a Collateral Event, a Tax Event, an Illegality Event or an Event of Default, the amount actually received by an investor in the Notes may be less than the amount invested by such investor. In addition, following the occurrence of a Collateral Call, or if there is a perception in the market that a Collateral Call may occur, such occurrence of a Collateral Call, or perception that a Collateral Call may occur, may have an adverse effect on the market value of the Notes.

Refer to Condition 8 (*Redemption and Purchase*) and the risk factor contained in the Information Memorandum for the Original Collateral entitled “**The Issuer may redeem the Loan Notes under certain circumstances**” for more details.

See “**The Notes are linked to the creditworthiness of the Collateral Obligor and the Collateral**”, “**Any liquidation of the Collateral may yield sales proceeds that are substantially below the aggregate nominal amount of the Notes**” and “**Collateral**” below for a description of the risks associated with any early redemption of the Notes.

The Notes are linked to the creditworthiness of the Collateral Obligor, Collateral Guarantor and the Collateral

Investors should note that the Notes differ from ordinary debt securities in that the amount of interest and principal (if any) payable by the Issuer in respect of the Notes is dependent on, amongst other things, whether a Collateral Event or a Collateral Call has occurred in respect of the Collateral. Where a Collateral Event or a Collateral Call has occurred, the Notes may be redeemed, at which point they will cease to bear interest and the value paid to Noteholders on redemption may be less than their original investment or may be zero. The likelihood of a Collateral Event or a Collateral Call occurring in respect of the Collateral will generally fluctuate with, among other things, the financial condition and other characteristics of the Collateral Obligor, general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates. Investors should have sufficient knowledge and experience in financial and business matters to evaluate the merits and risks of investing in such Notes as well as access to, and knowledge of, appropriate analytical tools to evaluate such merits and risks in the context of their financial situation.

Investors should further note that the Collateral Obligor and the Collateral Guarantor's businesses are subject to detailed, comprehensive laws and regulations as well as close supervision in all the countries in which they operate. Changes in existing laws and regulations and their interpretation may affect the way in which the Collateral Obligor and the Collateral Guarantor conduct their businesses and the products they may offer. Changes in regulations relating to pensions and employment, social security, financial services including reinsurance business, taxation, securities products and transactions may necessitate the restructuring of its activities, impose increased costs and thereby, or otherwise, could have material adverse effects on the Collateral Obligor or the Collateral Guarantor's insurance and asset management business.

Refer to the risk factor contained in the Information Memorandum for the Original Collateral entitled "**Risks due to regulatory or legal changes**" for more details.

Any Liquidation of the Collateral may yield sales proceeds that are substantially below the aggregate nominal amount of the Notes

Following the occurrence of a Liquidation Event in respect of the Issuer (refer to the Conditions and in particular Condition 1(a) (*Definitions*), Condition 8(d) (*Redemption for Taxation Reasons*) and Condition 8(e) (*Redemption Following an Illegality Event*) for a description of the instances where a Liquidation Event may occur, provided that no intervening Collateral Event occurs), the amount receivable by the Noteholders is dependent on the proceeds of sale of the Collateral. The amount of such proceeds may be affected by factors other than the occurrence of such Liquidation Event. The Collateral may be illiquid, thereby adversely affecting the market value of such Collateral that in turn will impact on the amount payable to the Noteholders in respect of such Liquidation Event. The transfer of the Original Collateral is subject to certain restrictions. In particular, the Original Collateral can only be transferred to certain Qualifying Banks or a Permitted Non-Qualifying Noteholder (refer to the Information Memorandum for the Original Collateral set out in the Appendix to this Series Prospectus, in particular the restrictions set out in Collateral Condition 9 (*Transfer and sub-participation*) and Collateral Condition 10 (*Grants of security*)).

Such transfer restrictions mean that there is no established trading market in the Original Collateral. As a result, on a Liquidation of the Collateral, the proceeds of sale received on such Liquidation may be substantially lower than the aggregate nominal amount of the Notes.

The Issuer may be substituted in order to avoid certain adverse tax or legal consequences

On the occurrence of a Tax Event or an Illegality Event, the Issuer may be substituted in order to avoid the occurrence of certain adverse tax or legal consequences. Such substitution must be approved beforehand in writing by the Trustee and no such substitution may occur where it results in any rating

assigned to the Notes being adversely affected. Refer to Condition 8(d) (*Redemption for Taxation Reasons*) and Condition 8(e) (*Redemption Following an Illegality Event*) for further details.

In connection with any such substitution of the Issuer, the Trustee need not have regard to the consequences of such substitution for individual Noteholders or Couponholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory. Any such substitution could result in a Noteholder or Couponholder becoming subject to certain taxes, levies or other charges as may be required by the law of the relevant territory (including, but not limited to, where such substitution is considered to result in a disposal of the previously issued Notes).

Payment of additional amounts for Swiss withholding taxes may be null and void

The Collateral Conditions provide that, subject to certain exemptions, the Collateral Obligor and the Collateral Guarantor shall make all payments of principal and interest on the Collateral, free of any withholding or deduction for or on account of any taxes, levies, imposts, duties or assessments or governmental charges in Switzerland unless such withholding or deduction is required by law. The Issuer and the Managers have received a legal opinion from Swiss counsel of the Collateral Obligor and the Collateral Guarantor that the Collateral Obligor and the Collateral Guarantor are not at the date of issue of the Original Collateral required by law to make such deduction or withholding. The Collateral Obligor and the Collateral Guarantor have obtained a tax ruling from the relevant Swiss authorities that no Swiss tax withholding or deduction will be required to be made by the Collateral Obligor or the Collateral Guarantor in respect of payments due to be made by the Collateral Obligor or the Collateral Guarantor to the Issuer under the Collateral. However, there can be no assurance as to the future impact of any possible administrative or judicial decision or change to any relevant Swiss law and/or administrative practice after the date of issue of the Collateral.

Although the terms of the Collateral provide that, in the event of any withholding or deduction on account of Swiss tax being required by Swiss law, the Collateral Obligor or the Collateral Guarantor, as the case may be, shall, subject to certain exceptions, pay additional amounts so that the net amount received by the holders of the Collateral shall equal the amount which would have been received by such holder in the absence of such withholding or deduction, such an obligation may contravene Swiss legislation and be null and void. Although the terms of the Collateral provide in such circumstance for the rate of interest on the Collateral to be adjusted to take into account such withholding or deduction, such adjustment may also contravene Swiss legislation. In that event the amount received by the Issuer, as the holder of the Collateral, and the corresponding amounts payable by the Issuer to the holders of the Notes would be reduced by any such withholding or deduction.

If the Collateral Obligor or the Collateral Guarantor becomes obliged to pay additional amounts in respect of the Collateral following the imposition of any withholding or deduction in respect of payments of principal and interest under the Collateral as a result of a change in, or amendment to, the laws and regulations of Switzerland, the Collateral Obligor may, provided that FINMA or any domestic or foreign successor to FINMA or otherwise that has primary supervisory authority over the Collateral Obligor or the Collateral Guarantor has given (and has not subsequently withdrawn) its consent to the redemption if such consent is required, redeem all of the Collateral, which will result in the redemption of all of the Notes in accordance with Condition 8(b) (*Redemption Following a Collateral Call*).

Withholding on, or other taxes or tax reporting requirements with respect to, the Notes and/or the Original Collateral

The Issuer expects that payments of interest and principal (if any) on the Notes will ordinarily not be subject to withholding tax or any other taxes, duties or charges in the Netherlands or any other jurisdiction. In the event that (i) any tax, duty or charge must be withheld, accounted for or deducted from payments of principal or interest in respect of the Notes (other than a withholding or deduction in respect

of FATCA), (ii) any tax, duty or charge must be withheld, accounted for or deducted from any income of the Issuer such that it would be unable to make any payment in respect of the Notes in full when due, (iii) the Issuer is or will be unable to receive any payment due in respect of the Collateral in full without a deduction for or on account of any withholding tax, back-up withholding or other tax, duty or charge in any jurisdiction, (iv) the Issuer is or will be required to pay any tax, duty or charge in any jurisdiction in respect of any payment received in respect of the Collateral, (v) the Issuer is or will be required to comply with any tax reporting requirement (other than in respect of FATCA) in the Netherlands or Switzerland in respect of any payment received in respect of the Collateral, (vi) a withholding is imposed on payments in respect of the Collateral as a result of FATCA or (vii) any other Tax Event has occurred in accordance with Condition 8(d) (*Redemption for Taxation Reasons*), the Issuer shall use all reasonable endeavours to arrange the substitution of a company incorporated in another jurisdiction as the principal debtor or to change its residence for taxation purposes to another jurisdiction and, if it is not able to arrange such substitution or change, it shall redeem the Notes (subject to certain exceptions and all as more fully set out in, and subject to, Condition 8(d) (*Redemption for Taxation Reasons*)).

In the event that any withholding tax or deduction for tax is imposed on payments of interest on the Notes, the Noteholders will not be entitled to receive grossed-up amounts to compensate for such withholding tax nor be reimbursed for the amount of any shortfall and no Event of Default shall occur as a result of any such withholding or deduction; however, as set out above, the Notes shall be redeemed pursuant to Condition 8(d) (*Redemption for Taxation Reasons*).

Modification, waivers and substitution

The Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all the Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Conditions of the Notes and the Trust Deed also provide that the Trustee shall, in certain circumstances and without the consent of Noteholders, agree to (i) any modification of any of the Conditions or any of the provisions of the Transaction Documents that in the opinion of the Trustee is of a formal, minor or technical nature or is made to correct a manifest error or (ii) any modification of any of the provisions of the Trust Deed, or any other documentation in connection with the issue of the Notes, if the Collateral Obligor has exercised its rights pursuant to Collateral Condition 14 (*Substitution and variation; Substitution of the Issuer*) to substitute all (but not some only) of the Original Collateral or to vary the terms of the Original Collateral. The Trustee may also agree, without the consent of the Noteholders, to (i) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach of any of the Conditions or any provisions of the Transaction Documents that in the opinion of the Trustee is not materially prejudicial to the interest of the Noteholders or (ii) the substitution of another company as principal debtor under any Notes in place of the Issuer.

Managers' Security

The proceeds of the Managers' Security will, in the event that the Managers' Security becomes enforceable, be held by the Managers' Trustee on behalf of itself and the Managers and applied in respect of any Manager's Claims. Noteholders have no direct or indirect interest in the Managers' Security and will not be entitled to the proceeds of enforcement of the Managers' Security.

Credit Ratings

The Notes and the Original Collateral are rated securities. Prospective investors should ensure they understand what any rating associated with the Notes means and what it addresses and what it does not address. The assignment of a rating to the Notes should not be treated by a prospective investor as

meaning that such investor does not need to make its own investigations into, and determinations of, the risks and merits of an investment in the Notes.

A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time. Neither Credit Suisse nor the Issuer in any way represent that a rating is an accurate reflection of the risks involved in an investment in the Notes, that the relevant rating agency is an appropriate rating agency or the models used by such rating agency are appropriate for the Notes. The fact that Credit Suisse and the other Managers request a rating should not be treated by a prospective investor as meaning that Credit Suisse or the other Managers accept any responsibility for the rating or the work of the relevant rating agency or that Credit Suisse or the other Managers share the views of such rating agency, and each investor needs to make its own investigations into, and determinations of, the risks and merits of an investment in the Notes. Further, the terms on which a rating is provided by a rating agency may include a disclaimer or an exclusion by such rating agency of any liability to any person in respect of such rating.

During its holding of a Note, a Noteholder should take such steps as it considers necessary to evaluate the ongoing risks and merits of a continued investment in such Note. Such steps should not rely solely on ratings. In particular, prospective investors should not rely solely on downgrades of ratings as indicators of deteriorating credit. Market indicators (such as rising credit default spreads and yield spreads with respect to the relevant entity) often indicate significant credit issues prior to any downgrade. No assurance can be given that the Notes will have the same credit rating as the Original Collateral subsequent to any reduction in the credit rating of an Agent or otherwise.

During the global financial crisis, rating agencies have been the subject of criticism from a number of global governmental bodies that they did not downgrade entities on a sufficiently quick basis.

Prospective investors who place too much reliance on ratings, or who do not understand what the rating addresses, may be subject to unexpected losses as a result.

Risks Related to the Market

Limited liquidity of the Notes

Although application will be made to admit the Notes to the Official List of the Irish Stock Exchange and admit them to trading on the regulated market of the Irish Stock Exchange, there is currently no secondary market for the Notes. There can be no assurance that a secondary market for any of the Notes will develop, or, if a secondary market does develop, that it will provide the Noteholders with liquidity or that it will continue for the life of the Notes. Consequently, any investor of the Notes must be prepared to hold such Notes for an indefinite period of time or until redemption of the Notes. If the Managers begin making a market for the Notes, they are under no obligation to continue to do so and may stop making a market at any time.

Risks Related to the Collateral

Risk factors relating to the Original Collateral are provided in the sub-section titled “**Risk Factors**” of the Information Memorandum for the Original Collateral attached at the Appendix hereto.

Limited Access to Information

None of the Issuer, the Trustee or the Noteholders or any other person will have any right to receive any information regarding the Collateral Obligor, the Collateral Guarantor or the Original Collateral (save to the extent that the Issuer is entitled to receive information relating to the Collateral Obligor or the Collateral Guarantor by virtue of its holding of Original Collateral). During the term of the Notes, Credit Suisse may acquire confidential information with respect to the Collateral Obligor, the Collateral

Guarantor or any obligations or duties of the Collateral Obligor or the Collateral Guarantor and it shall not be under any duty to disclose such confidential information to any Noteholder.

Provision of information

None of the Issuer, the Trustee, the Managers' Trustee, the Managers or any affiliate of such persons (i) has provided (beyond what is included in this Series Prospectus) or will provide prospective purchasers of Notes with any information or advice with respect to the Collateral, the Collateral Obligor, the Collateral Guarantor or the Custodian, or (ii) makes any representation as to the credit quality of the Collateral, the Collateral Obligor, the Collateral Guarantor or the Custodian. The Issuer, the Trustee, the Managers' Trustee, the Managers or any affiliate of such persons may have acquired, or during the term of the Notes may acquire, non-public information with respect to the Collateral, the Collateral Obligor or the Collateral Guarantor which will not be disclosed to Noteholders. The timing and limited scope of the information provided to Noteholders regarding the Collateral, the Collateral Obligor, the Collateral Guarantor and the occurrence of a Collateral Event or a Collateral Call may affect the liquidity of the Notes and the ability of Noteholders to value the Notes accordingly. None of the Issuer, the Trustee, the Managers' Trustee, the Managers or any affiliate of such persons is under any obligation to make such information, whether or not confidential, available to Noteholders.

No investigations

No investigations, searches or other enquiries have been made by or on behalf of the Issuer, the Managers, the Trustee, the Managers' Trustee or the Enforcement Agent in respect of the Collateral, the Collateral Obligor or the Collateral Guarantor. None of the Issuer, the Managers, the Trustee, the Managers' Trustee or the Enforcement Agent makes any representation or warranty, express or implied, in respect of the Collateral, the Collateral Obligor or the Collateral Guarantor or in respect of any information contained in any documents prepared, provided or filed by or on behalf of the Collateral Obligor or in respect of such Collateral with any exchange, governmental, supervisory or self-regulatory authority or any other person.

Limitations on enforcement against the Collateral Obligor and the Collateral Guarantor

In no circumstances shall the Trustee or, as the case may be, the Managers' Trustee be permitted when acting in its capacity as trustee for the Noteholders or the Managers, nor shall the Noteholders or the Managers (when acting in their respective capacities) be permitted, to take any action against the Collateral Obligor or the Collateral Guarantor or enforce any claim that the Issuer may have against the Collateral Obligor or the Collateral Guarantor under the Collateral or otherwise whether before, upon, or after any security created by or pursuant to the Trust Deed becoming enforceable. Further, no Noteholder shall be entitled to give directions to the Enforcement Agent in relation to the manner in which any enforcement action is pursued against the Collateral Obligor or the Collateral Guarantor. In no circumstances will any Collateral be delivered to a Noteholder.

Collateral

Noteholders are exposed to the market price of the Collateral. The Issuer may have to fund its payments by the sale of some or all of the Collateral at a market value. The market price of the Collateral will generally fluctuate with, among other things, the liquidity and volatility of the financial markets, general economic conditions, domestic and international political events, developments or trends in a particular industry and the financial condition of the Collateral Obligor or the Collateral Guarantor.

In addition, any event that causes the Collateral Obligor or the Collateral Guarantor not to make all or part of any payments on the Collateral, will result in corresponding reductions and delays in respect of interest and principal (if any) payable in respect of the Notes.

Noteholders will be subject to whatever redemption triggers are applicable to the Collateral as set out in the terms and conditions thereof. A redemption of the Collateral will result in the redemption of the Notes. Consequently, if at any time the Collateral becomes redeemable or repayable for whatever reason, the Issuer shall redeem each Note on the Collateral Call Redemption Date or Early Redemption Date, as the case may be. The amount payable to a Noteholder in such circumstances will be such Note's pro rata share of the Collateral Redemption Amount (in the case of a Collateral Call) or each Note's *pro rata* share of the Available Proceeds on enforcement of the Security (in the case of a Collateral Event).

Although the terms and conditions of the Collateral provide for the possibility of the Collateral being redeemed at the option of the Collateral Obligor from 16 June 2025, the Collateral Obligor is then still under no obligation to exercise its option to redeem the Collateral. Accordingly, Noteholders should be aware that the Notes may not be redeemed despite any right to redeem the Collateral having arisen.

Determinations

The determination as to whether a Collateral Event has occurred shall be made by the Calculation Agent and without regard to any related determination by the Collateral Obligor or any action taken, omitted to be taken or suffered to be taken by any other person, including, without limitation, any creditor of the Collateral Obligor.

Purchase, Exchange or Retirement of Notes: Tender Offers and Exchange Offers

The terms of the Notes provide that in certain circumstances (as set out in Condition 8(g) (*Purchases*)), the Issuer may participate in a Collateral Obligor Tender Offer or a Collateral Obligor Exchange Offer (each as defined in Condition 8(g) (*Purchases*)) with respect to the Collateral. If, in such circumstances, the Collateral Obligor defaults in the performance of its payment obligations under the terms of any such Collateral Obligor Tender Offer or Collateral Obligor Exchange Offer, then the Issuer will not be able to satisfy its corresponding payment obligations to Noteholders in respect of any corresponding Issuer Tender Offer or Issuer Exchange Offer (each as defined in Condition 8(g) (*Purchases*)). Any failure by the Issuer to make a payment due in connection with any Issuer Tender Offer or Issuer Exchange Offer shall constitute a default in payment in respect of the Notes for purposes of Condition 8(f) (*Redemption Following the Occurrence of an Event of Default*), leading to the Security for the Notes becoming enforceable. Accordingly, Noteholders must recognise that they will be exposed to the risk of default by the Collateral Obligor in respect of any Collateral Obligor Tender Offer or Collateral Obligor Exchange Offer, regardless of whether or not they participate in any corresponding Issuer Tender Offer or Issuer Exchange Offer.

Transfer restrictions in respect of the Collateral

The transfer of the Collateral is subject to certain restrictions, including but not limited to the restrictions set out in Collateral Condition 9 (*Transfer and sub-participation*) and Collateral Condition 10 (*Grants of security*). The Collateral is not listed or admitted to trading on any exchange and has not been accepted for clearance through any clearing system. As a result, there will be no established trading market in the Collateral and the Collateral will be illiquid. The illiquidity of the Collateral may have a severely adverse effect on the market value of the Collateral.

Risks Related to the Trustee and/or the Agents

Trustee and/or Enforcement Agent indemnity and remuneration

In certain circumstances, the Noteholders may be dependent on the Trustee and/or Enforcement Agent to take certain steps, actions or proceedings in respect of the Notes, in particular if the Security in respect of the Notes becomes enforceable under the Conditions. Prior to taking such steps, actions or proceedings the Trustee and/or Enforcement Agent may require to be indemnified and/or secured and/or prefunded to its satisfaction. If the Trustee and/or Enforcement Agent is not indemnified and/or secured

and/or prefunded to its satisfaction, it may decide not to take such steps, actions or proceedings and such inaction will not constitute a breach by it of its obligations under the Trust Deed. Consequently, the Noteholders would have to either arrange for such indemnity and/or security and/or prefunding or accept the consequences of such inaction by the Trustee and/or Enforcement Agent. Noteholders should be prepared to bear the costs associated with any such indemnity and/or security and/or prefunding and/or the consequences of any such inaction by the Trustee and/or Enforcement Agent. Such inaction by the Trustee and/or Enforcement Agent will not entitle Noteholders to take action directly against the Issuer to pursue remedies for any breach by the Issuer of the Trust Deed or the Notes (although the events giving rise to the need for Trustee action might also permit the Noteholders to exercise certain rights directly under the Conditions).

So long as any Note is outstanding, the Issuer shall pay the Trustee and Agents remuneration for their services. Unless alternative arrangements are in place to finance such remuneration, such remuneration may reduce the amount payable to Noteholders.

Replacement of the Trustee or any Agent

If the Trustee or any Agent needs to be replaced, whether by reason of a Bankruptcy Event (in the case of the Calculation Agent, Disposal Agent or Enforcement Agent) or otherwise, such replacement may delay certain determinations and related payments and/or deliveries on the Notes and there is no guarantee that any replacement will be found. Any delay or failure to appoint such a replacement may have adverse consequences for the Noteholders.

Business relationships

There is no limitation or restriction on any Manager or any of its affiliates with regard to acting as adviser (or acting in any other similar role) to other parties or persons or entering into, performing or enforcing its rights in respect of a broad range of transactions in various capacities for its own account and for the account of other persons from time to time in relation to its business. This, and other future activities of it and/or its affiliates, may give rise to conflicts of interest. These interests may conflict with the interests of the Noteholders, and the Noteholders may suffer a loss as a result.

The Issuer and/or each Manager may have existing or future business relationships with the Collateral Obligor or the Collateral Guarantor (including, but not limited to, lending, depositary, risk management, advisory and banking relationships), and will pursue actions and take steps that it deems or they deem necessary or appropriate to protect their and/or its interests (in whatever capacity) arising therefrom (including, without limitation, any action which might constitute or give rise to a Collateral Call or Collateral Event) without regard to the consequences for a Noteholder.

The Issuer and each Manager may deal in any derivatives linked to the obligations or shares of the Original Collateral and any other obligations of the Collateral Obligor or the Collateral Guarantor and may accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business with the Collateral Obligor or the Collateral Guarantor and may act with respect to them in the same manner as it would have had had the Notes not been in issue, regardless of whether any such action might have an adverse effect on the Collateral, the Collateral Obligor, the Collateral Guarantor or the position of a Noteholder or otherwise.

General Risks

Third Party Information

The Issuer has only made very limited enquiries with regards to, and none of the Managers has verified or accepts any responsibility for, the accuracy and completeness of the information in this Series Prospectus regarding the Third Party Information. Prospective investors in the Notes should not rely

upon, and should make their own independent investigations and enquiries in respect of, the accuracy and completeness of the Third Party Information.

Exchange rates and exchange controls

The Issuer will pay principal and interest on the Notes in EUR. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than EUR. These include the risk that exchange rates may significantly change (including changes due to a devaluation of EUR or a revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to EUR would decrease (i) the Investor's Currency equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal and interest payable on the Notes and (iii) the Investor's Currency equivalent market value of the Notes. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less principal than expected, or no principal at all.

EU Savings Directive

The European Union has adopted a directive regarding the taxation of savings income (the "**EU Savings Directive**"). The EU Savings Directive requires EU Member States to provide to the tax authorities of other EU Member States details of payments of interest and other similar income paid by a person established within its jurisdiction to (or secured by such a person for the benefit of) an individual resident, or to (or secured for) certain other types of entity established in that other EU Member State, except that Austria instead imposes a withholding tax system for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during such period it elects otherwise. Luxembourg elected out of the withholding tax system in favour of an automatic exchange of information under the EU Savings Directive with effect as from 1 January 2015.

A number of other countries and territories including Switzerland have adopted similar measures to the EU Savings Directive.

On 24 March 2014, the Council of the European Union adopted a Directive amending the EU Savings Directive (the "**Amending Directive**") which would, when implemented, inter alia, amend and broaden (i) the scope of the information reporting or withholding requirements described above to include payments to (or secured for) an entity or legal arrangement having its place of effective management in an EU Member State and not being subject to effective taxation, (ii) the circumstances in which an economic operator, entity or legal arrangement may be required to report information or withhold tax, (iii) the types of payment to which the EU Savings Directive applies and (iv) the circumstances in which an individual resident in an EU Member State is to be treated as the beneficial owner of such payments. The Amending Directive requires EU Member States to adopt national legislation necessary to comply with it by 1 January 2016, which legislation must apply from 1 January 2017.

The European Commission has published a proposal for a Council Directive repealing the EU Savings Directive from 1 January 2016 (1 January 2017 in the case of Austria) (in each case subject to transitional arrangements). The proposal also provides that, if it is adopted, EU Member States will not be required to implement the Amending Directive.

If a payment were to be made or collected through an EU Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment pursuant to any law implementing the EU Savings Directive or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. Furthermore, once the Amending Directive is

implemented and takes effect in EU Member States, such withholding may occur in a wider range of circumstances than at present, as explained above.

The Issuer is required to maintain a Paying Agent with a specified office in an EU Member State that is not obliged to withhold or deduct tax pursuant to any law implementing the EU Savings Directive or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000, which may mitigate an element of this risk if the Noteholder is able to arrange for payment through such a Paying Agent.

However, investors should be aware that any custodians or intermediaries through which they hold their interest in the Notes may be obliged to withhold or deduct tax pursuant to such laws unless the investor meets certain conditions, including providing any information that may be necessary to enable such persons to make payments free from withholding and in compliance with the EU Savings Directive, as amended.

Prospective investors should inform themselves of, and where appropriate take advice on, the impact of the Directives referred to above on their investment.

DOCUMENTS INCORPORATED BY REFERENCE

This Series Prospectus should be read and construed in accordance with:

- 1 The Base Prospectus which, except for the following sections, shall be deemed to be incorporated in, and form part of, this Series Prospectus:
 - (i) Master Conditions (pages 43 to 112 inclusive)
 - (ii) Pass-Through Note Terms Product Supplement (pages 113 to 114 inclusive);
 - (iii) CLN Conditions Product Supplement (pages 115 to 176 inclusive);
 - (iv) Collateral Basket Product Supplement (pages 177 to 184 inclusive);
 - (v) Summary of Provisions relating to the Notes while in Global Form (pages 185 to 189 inclusive);
 - (vi) Crest Clearing Arrangements (pages 190 to 191 inclusive);
 - (vii) Description of the Swap Counterparty (page 195);
 - (viii) Original Collateral (page 196);
 - (ix) The Swap Agreement (pages 197 to 200 inclusive);
 - (x) Subscription and Sale (pages 208 to 211 inclusive);
 - (xi) Appendix 1 – Form of Final Terms (page 214 to 222 inclusive); and
 - (xii) Appendix 2 – Form of Issue Terms of an Alternative Drawdown Document (page 223 to 235 inclusive).

The non-incorporated sections of the Base Prospectus are either not relevant for investors in the Notes or are covered elsewhere in this Series Prospectus. A copy of the Base Prospectus can be found at:

http://www.ise.ie/debt_documents/Base%20Prospectus_7c38c433-965e-4ab7-8aef-4115284b3566.PDF?v=312015

- 2 For the purpose of this Series Prospectus, references in the Base Prospectus to the Master Conditions shall be to the terms and conditions set out below under “Conditions of the Notes”.

The Master Conditions set out in the Principal Trust Deed (as such term is defined in the Base Prospectus) shall be deemed not to apply to the Notes and the terms and conditions set out below under “Conditions of the Notes” shall apply to the Notes instead.

- 3 The audited financial statements of the Issuer for the financial year ended 31 December 2013 (the “**2013 Accounts**”) shall be deemed to be incorporated in, and form part of, this Series Prospectus. The 2013 Accounts have been filed with the Central Bank of Ireland and the Dutch Chamber of Commerce and can be found at:

[http://www.demeterinvestmentsbv.nl/documenten/34278112/Demeter%20Investments%20B.V.%20-%20annual%20accounts%202013%20\(unsigned\).pdf](http://www.demeterinvestmentsbv.nl/documenten/34278112/Demeter%20Investments%20B.V.%20-%20annual%20accounts%202013%20(unsigned).pdf)

There has been no material adverse change in the financial position or the prospects of the Issuer since 31 December 2013, being the date of the Issuer’s last audited financial statements.

CONDITIONS OF THE NOTES

The following is the text of the terms and conditions applicable to the Notes. The full text of these terms and conditions shall be endorsed on any Bearer Note relating to the Notes in definitive form (if issued).

The Notes are constituted and secured by the Trust Deed entered into between the Issuer, the Trustee, the Managers' Trustee and the Enforcement Agent. These Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Coupons and Talons referred to below.

An Agency Agreement has been entered into in relation to the Notes between the Issuer, the Trustee, The Bank of New York Mellon as initial issuing and paying agent and the other agents named in it.

The Issuer and the Managers have entered into a syndication agreement dated 12 June 2015 with respect to the Notes (the "**Syndication Agreement**").

The Issuer, the Collateral Obligor and the Collateral Guarantor have entered into a purchase agreement dated 12 June 2015 (the "**Purchase Agreement**") in respect of the purchase by the Issuer of the EUR 750,000,000 Guaranteed Subordinated Perpetual Fixed to Floating Rate Loan Notes of the Collateral Obligor (the "**Original Collateral**") guaranteed on a subordinated basis by the Collateral Guarantor.

The issuing and paying agent, the calculation agent, the custodian, the disposal agent, the enforcement agent and the paying agents for the time being (if any) are referred to below respectively as the "**Issuing and Paying Agent**", the "**Calculation Agent**", the "**Custodian**", the "**Disposal Agent**", the "**Enforcement Agent**" and the "**Paying Agents**" (which expression shall include the Issuing and Paying Agent) and collectively as the "**Agents**".

Copies of the Programme Deed, the execution of which most recently amended and restated the Principal Trust Deed and the Agency Agreement, together with any amendments and/or supplements to such Programme Deed that are relevant to the Notes and the applicable versions of the relevant master terms documents incorporated into such Programme Deed, the Syndication Agreement, and the Purchase Agreement are available for inspection, so long as any of the Notes remain outstanding, during usual business hours at the registered office of the Issuer and the principal office of the Trustee and at the Specified Offices of the Paying Agents.

The Noteholders and the holders of the interest coupons (the "**Coupons**") and talons for further Coupons (the "**Talons**") (such holders, the "**Couponholders**") are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them in the Agency Agreement and the Purchase Agreement.

As used in the Conditions, "**Tranche**" means Notes of the Series that are issued on the same date and that are identical in all respects.

1 Definitions and Interpretation

(a) Definitions

All capitalised terms that are not defined in these Conditions will have the meanings given to them in the Trust Deed. In the event of any inconsistency between the terms of the Issue Deed relating to the Notes and the terms of the Principal Trust Deed, the terms of the Issue Deed shall prevail. In addition, the following expressions have the following meanings:

"**Affiliate**" means, in relation to any person, any entity controlled, directly or indirectly, by that person, any entity that controls, directly or indirectly, that person or any entity, directly or indirectly, under common control with that person. For this purpose "**control**" means ownership of a majority of the voting power of the entity or person.

“Agency Agreement” means the agency agreement originally entered into by the Issuer, The Bank of New York Mellon as initial issuing and paying agent and the other agents named in the Original Programme Deed by execution of the Original Programme Deed, as amended by the provisions of the Issue Deed relating thereto.

“Agents” has the meaning given to it in the recitals to these Conditions.

“Available Proceeds” means, with respect to a Liquidation Event or Enforcement Event, as of a particular day:

- (i) all cash sums derived from any Liquidation of Collateral for the Notes, any amounts realised by the Trustee, the Enforcement Agent or any receiver on enforcement of the Security and all other cash sums available to the Issuer or the Trustee, as the case may be, derived from the Mortgaged Property; less
- (ii) any cash sums which have already been applied by the Issuer pursuant to Condition 16(a) (*Application of Available Proceeds of Liquidation*) on any Issuer Application Date or by the Trustee pursuant to Condition 16(b) (*Application of Available Proceeds of Enforcement of Security*) on any Trustee Application Date, as the case may be.

“Bank” has the meaning given to it in Condition 10(a) (*Payments of Principal and Interest*).

“Bankruptcy Credit Event” means the occurrence of a Credit Event as a result of Bankruptcy, and with each of “Credit Event” and “Bankruptcy” having the meaning given to them in the ISDA Credit Derivatives Definitions.

“Bankruptcy Event” means, with respect to a party, (i) such party (A) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (B) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due; (C) makes a general assignment, arrangement, scheme or composition with or for the benefit of its creditors generally, or such a general assignment, arrangement, scheme or composition becomes effective; (D) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other similar relief under any bankruptcy or insolvency law or other law affecting creditors’ rights, or a petition is presented for its winding up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition either results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding up or liquidation, or is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; (E) has a resolution passed for its winding up or liquidation (other than pursuant to a consolidation, amalgamation or merger); (F) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (G) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; or (H) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (i)(A) to (G), (ii) a Credit Derivatives Determinations Committee has Resolved that a Bankruptcy Credit Event has occurred in respect of such party, or any analogous determination has been made by a committee or person under any definitions that replace the ISDA Credit Derivatives Definitions as the market standard terms for credit derivatives or under any amendment or supplement to the ISDA Credit Derivatives Definitions and/or (iii) such party is an Affiliate of another party and a Bankruptcy Event has occurred with respect to such other party (provided that, for the purposes of

determining whether a Bankruptcy Event has occurred with respect to such other party, subparagraph (iii) of this definition shall be disregarded).

“Bearer Notes” has the meaning given to it in Condition 2 (*Form, Specified Denomination and Title*).

“Business Day” means a Reference Business Day.

“Calculation Agent” has the meaning given to it in the recitals to these Conditions.

“Calculation Agent Bankruptcy Event” means (i) the Calculation Agent (A) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (B) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due; (C) makes a general assignment, arrangement, scheme or composition with or for the benefit of its creditors generally, or such a general assignment, arrangement, scheme or composition becomes effective; (D) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other similar relief under any bankruptcy or insolvency law or other law affecting creditors' rights, or a petition is presented for its winding up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition either results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding up or liquidation, or is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; (E) has a resolution passed for its winding up or liquidation (other than pursuant to a consolidation, amalgamation or merger); (F) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (G) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; or (H) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (i)(A) to (G) and/or (ii) a Credit Derivatives Determinations Committee has Resolved that a Bankruptcy Credit Event has occurred in respect of the Calculation Agent, or any analogous determination has been made by a committee or person under any definitions that replace the ISDA Credit Derivatives Definitions as the market standard terms for credit derivatives or under any amendment or supplement to the ISDA Credit Derivatives Definitions.

“Calculation Agent Business Day” means a business day in the jurisdiction of the Calculation Agent.

“Collateral” means the Issuer's rights, title and/or interests in and to the Original Collateral (as defined above but excluding any Original Collateral that the Issuer may have sold or otherwise disposed of as permitted by these Conditions) and shall include the rights, title and/or interests in and to (i) any further Collateral acquired by the Issuer in connection with any further issue of notes that are to be consolidated and form a single series with the Notes and (ii) any asset or property (which may, for the avoidance of doubt, include the benefit of contractual rights) into which any of the Collateral is converted or exchanged, or for which the Collateral is substituted, or that is issued to the Issuer (or any relevant person holding such Collateral for or on behalf of the Issuer) by virtue of its holding thereof.

“Collateral Call” means notice is given by the Collateral Obligor that the Collateral is called for redemption or repayment in whole in accordance with the provisions of Collateral Condition 5.2 (*Optional redemption*) or Collateral Condition 5.3 (*Special Early Redemption*).

“Collateral Call Redemption Amount” has the meaning given to it in Condition 8(b) (*Redemption Following a Collateral Call*).

“Collateral Call Redemption Date” has the meaning given to it in Condition 8(b) (*Redemption Following a Collateral Call*).

“Collateral Conditions” means, with respect to any Collateral, the terms and conditions of such Collateral as at the Collateral Issue Date. The Collateral Conditions for the Original Collateral are as set out in the Issue Deed. *See also the Information Memorandum in respect of the Original Collateral that is appended to this Series Prospectus and which contains the Collateral Conditions for such Original Collateral.*

“Collateral Documentation” means the Information Memorandum dated 12 June 2015 in respect of the Original Collateral that was prepared by the Collateral Obligor and provided to the Issuer pursuant to the Purchase Agreement for the purpose of the Notes.

“Collateral Event” means if at any time any Collateral becomes repayable for any reason other than a Collateral Call, including (without limitation) in accordance with the provisions of Collateral Condition 12 (*Events of default and acceleration*).

“Collateral Guarantor” means Swiss Life Holding AG, or any successor thereof that has an obligation or duty to the Issuer (or any relevant person holding such Original Collateral for or on behalf of the Issuer) in respect of the Original Collateral in its capacity as guarantor pursuant to the terms of such Original Collateral.

“Collateral Interest Amount” means any interest amount receivable by, or on behalf of, the Issuer in respect of the Collateral in accordance with the Collateral Conditions, including but not limited to any interest amounts so receivable under Collateral Condition 3.1 (*Fixed Rate of Interest*) and Collateral Condition 3.2 (*Floating Rate of Interest*). For the avoidance of doubt, (i) interest deferred pursuant to Collateral Condition 4.1 (*Optional Deferral of Interest Payments*) or Collateral Condition 4.2 (*Solvency Deferral of Interest*) shall not constitute a Collateral Interest Amount until the scheduled day of payment following such deferral; and (ii) the payment of any Deferred Interest (as defined in Collateral Condition 4.4 (*Satisfaction of Deferred Interest*)) in respect of the Collateral shall constitute a Collateral Interest Amount.

“Collateral Interest Payment Date” means any date on which a Collateral Interest Amount is received by, or on behalf of, the Issuer pursuant to the Collateral Conditions. For the avoidance of doubt, if interest is payable by the Collateral Issuer on any day under the Collateral Conditions but such interest is not received (whether because such interest is deferred pursuant to Collateral Condition 4.1 (*Optional Deferral of Interest Payments*), Collateral Condition 4.2 (*Solvency Deferral of Interest*), or otherwise) by, or on behalf of, the Issuer, such day shall not constitute a Collateral Interest Payment Date.

“Collateral Issue Date” means, with respect to any Collateral, the “Issue Date” as such term is defined in the Collateral Conditions for such Collateral.

“Collateral Obligor” means Swiss Life AG, or any successor thereof that has an obligation or duty to the Issuer (or any relevant person holding such Original Collateral for or on behalf of the Issuer) in respect of the Original Collateral in its capacity as issuer pursuant to the terms of such Original Collateral.

“Collateral Obligor Exchange Offer” has the meaning given to it in Condition 8(g) (*Purchases*).

“Collateral Obligor Tender Offer” has the meaning given to it in Condition 8(g) (*Purchases*).

“Collateral Rate of Interest” means:

- (i) in respect of the Initial Interest Period, a fixed rate of 4.375 per cent. per annum being equivalent to the rate of interest as set out under Collateral Condition 3.1 (*Fixed Rate of Interest*); and
- (ii) thereafter, a floating rate of interest determined by the Calculation Agent in respect of a relevant Interest Accrual Period as of 11.00 a.m. (Brussels time) on the second TARGET Settlement Day prior to the commencement of the relevant Interest Accrual Period by reference to the euro interbank offered rate administered by the European Money Markets Institute for three-month euro deposits ("**3 months EURIBOR**") and displayed on page EURIBOR01 of the Thomson Reuters screen (or any replacement Thomson Reuters page that displays that rate) (the "**Screen Rate**"), plus 3.30 per cent. plus one per cent. per annum, being equivalent to the floating rate of interest as determined pursuant to Collateral Condition 3.2 (*Floating Rate of Interest*),

provided that:

- (A) for the purpose of a floating rate of interest:
 - (I) if no Screen Rate is available on an interest determination date for 3 months EURIBOR, the applicable 3 months EURIBOR shall be the rate (rounded to the same number of decimal places as the two relevant Screen Rates) which results from interpolating on a linear basis between (x) the applicable Screen Rate for the longest period (for which the Screen Rate is available) which is less than 3 months; and (y) the applicable Screen Rate for the shortest period (for which the Screen Rate is available) which exceeds 3 months, each as of the relevant interest determination date;
 - (II) if no Screen Rate is available for 3 months EURIBOR and it is not possible to calculate an interpolated Screen Rate in accordance with (I) above the applicable for 3 months EURIBOR shall be determined by the Calculation Agent to reflect the reference bank rate calculated in accordance with the Collateral Conditions for 3 months; and
 - (III) if no Screen Rate is available for 3 months EURIBOR and it is not possible to calculate an interpolated Screen Rate and no or only one reference bank is available for 3 months EURIBOR in accordance with the Collateral Conditions, the applicable EURIBOR shall be the most recent applicable Screen Rate for 3 months; and
- (B) for the purpose of any Interest Amount, if a Tax Deduction is required by law to be made by the Collateral Obligor (in respect of any payment to the Issuer of interest in respect of the Collateral) or the Collateral Guarantor (in respect of any payment to the Issuer under the Guarantee) for Swiss Withholding Tax, and it would be unlawful for the Collateral Obligor or the Collateral Guarantor, as applicable, to (I) make such payment free and clear of such Swiss Withholding Tax, or (II) pay such additional amount where required to ensure that the Issuer as a holder of the Collateral would have received an amount equal to that which it would have received if no Tax Deduction had been required, such rate of interest will be adjusted by the Calculation Agent to reflect any adjustment made in accordance with Collateral Condition 3.3 (*Recalculation of Interest*) and the adjusted rate of interest will be the quotient of (x) the interest rate which would have applied to that interest payment affected by such Tax Deduction, and (y) one minus the rate at which such Tax Deduction is required to be made under Swiss domestic tax law and/or applicable double taxation treaties (such rate for these purposes to be expressed as a fraction of one). For the

purposes hereof, "Swiss Withholding Tax" and "Tax Deduction" shall have the meanings given to them in the Collateral Conditions.

"Collateral Redemption Amount" means any amount payable upon redemption or repayment of the Collateral (but excluding any amount included in any Collateral Interest Amount) once the Collateral has become redeemable or repayable in accordance with the provisions of Collateral Condition 5.2 (*Optional redemption*) or Collateral Condition 5.3 (*Special Early Redemption*).

"Collateral Tax Event" has the meaning given to it in Condition 8(d)(i) (*Redemption for Taxation Reasons*).

"Conditions" means, in respect of the Notes, these terms and conditions. References to a particularly numbered Condition shall be construed as a reference to the Condition so numbered in these terms and conditions.

These Conditions shall be as defined above but as completed, amended, supplemented and/or varied by the terms of the Global Note.

"Coupons" has the meaning given to it in the recitals to these Conditions.

"Credit Derivatives Determinations Committee" has the meaning given to it in the ISDA Credit Derivatives Definitions.

"Custodian" has the meaning given to it in the recitals to these Conditions.

"Default Interest" has the meaning given to it in Condition 7(b) (*Accrual of Interest*).

"Disposal Agent" has the meaning given to it in the recitals to these Conditions.

"Disposal Agent Bankruptcy Event" means (i) the Disposal Agent (A) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (B) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due; (C) makes a general assignment, arrangement, scheme or composition with or for the benefit of its creditors generally, or such a general assignment, arrangement, scheme or composition becomes effective; (D) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other similar relief under any bankruptcy or insolvency law or other law affecting creditors' rights, or a petition is presented for its winding up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition either results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding up or liquidation, or is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; (E) has a resolution passed for its winding up or liquidation (other than pursuant to a consolidation, amalgamation or merger); (F) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (G) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; or (H) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (i)(A) to (G) and/or (ii) a Credit Derivatives Determinations Committee has Resolved that a Bankruptcy Credit Event has occurred in respect of the Disposal Agent, or any analogous determination has been made by a committee or person under any definitions that replace the ISDA Credit Derivatives Definitions

as the market standard terms for credit derivatives or under any amendment or supplement to the ISDA Credit Derivatives Definitions.

“Disposal Agent Fees” has the meaning given to it in Condition 13(d) (*Costs and Expenses*).

“Early Redemption Amount” means, in respect of each Note outstanding on the relevant Early Redemption Date, an amount in EUR equal to such Note’s *pro rata* share of the Available Proceeds.

“Early Redemption Commencement Date” has the meaning given to it in Condition 8 (*Redemption and Purchase*).

“Early Redemption Date” means the thirty-fifth Reference Business Day following the relevant Early Redemption Commencement Date.

“Early Redemption Notice” means an irrevocable notice from the Issuer to Noteholders in accordance with Condition 23 (*Notices*) (or, in the case of Condition 8(f) (*Redemption Following the Occurrence of an Event of Default*), from the Trustee to the Issuer) that specifies that the Notes are to be redeemed pursuant to one of Conditions 8(c) (*Redemption Following a Collateral Event*) to 8(f) (*Redemption Following the Occurrence of an Event of Default*). An Early Redemption Notice given pursuant to Condition 8 (*Redemption and Purchase*) must contain a description in reasonable detail of the facts relevant to the determination that the Notes are to be redeemed and, in the case of an Early Redemption Notice given by the Issuer, must specify which of Conditions 8(c) (*Redemption Following a Collateral Event*) to 8(f) (*Redemption Following the Occurrence of an Event of Default*), as the case may be, are applicable. A copy of any Early Redemption Notice shall also be sent by the Issuer, or the Trustee, as the case may be, to all Transaction Parties, save that any failure to deliver a copy shall not invalidate the relevant Early Redemption Notice.

“Early Valuation Date” means the fifth Reference Business Day prior to the Early Redemption Date.

“Enforcement Agent” has the meaning given to it in the recitals to these Conditions.

“Enforcement Agent Bankruptcy Event” means (i) the Enforcement Agent (A) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (B) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due; (C) makes a general assignment, arrangement, scheme or composition with or for the benefit of its creditors generally, or such a general assignment, arrangement, scheme or composition becomes effective; (D) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other similar relief under any bankruptcy or insolvency law or other law affecting creditors’ rights, or a petition is presented for its winding up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition either results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding up or liquidation, or is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; (E) has a resolution passed for its winding up or liquidation (other than pursuant to a consolidation, amalgamation or merger); (F) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (G) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days

thereafter; or (H) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (i)(A) to (G) and/or (ii) a Credit Derivatives Determinations Committee has Resolved that a Bankruptcy Credit Event has occurred in respect of the Enforcement Agent, or any analogous determination has been made by a committee or person under any definitions that replace the ISDA Credit Derivatives Definitions as the market standard terms for credit derivatives or under any amendment or supplement to the ISDA Credit Derivatives Definitions.

“Enforcement Event” means the occurrence of any of the events specified in Condition 14(b) (*Enforcement of Security*).

“Enforcement Notice” has the meaning given to it in Condition 14(a) (*Enforcement Notice*).

“Equivalent Obligations” means any Obligations that are issued in fungible form and that share common terms and conditions.

“Event of Default” has the meaning given to it in Condition 8(f) (*Redemption Following the Occurrence of an Event of Default*).

“FATCA” means (i) sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986; (ii) any similar or successor legislation to sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986; (iii) any agreement described in section 1471(b) of the U.S. Internal Revenue Code of 1986; (iv) any regulations or guidance pursuant to any of the foregoing; (v) any official interpretations of any of the foregoing; (vi) any intergovernmental agreement to facilitate the implementation of any of the foregoing (an **“IGA”**); or (vii) any law implementing an IGA.

“FATCA Withholding Tax” means any withholding imposed on any payments in respect of the Notes pursuant to FATCA.

“Guidelines” means together, the guidelines S-02.122.1 in relation to bonds of April 1999 as issued by the Swiss Federal Tax Administration (*Merkblatt S-02.122.1 vom April 1999 betreffend “Obligationen”*) and S-02.123 in relation to inter-bank transactions of 22 September 1986 as issued by the Swiss Federal Tax Administration (*Merkblatt S-02.123 vom 22. September 1986 betreffend Zinsen von Bankguthaben, deren Gläubiger Banken sind (“Interbankguthaben”)*), S-02.128 in relation to syndicated credit facilities of January 2000 (*Merkblatt S-02.128 vom Januar 2000 “Steuerliche Behandlung von Konsortialdarlehen, Schuldscheindarlehen, Wechseln und Unterbeteiligungen”*), and S-02.130.1 in relation to accounts receivable of Swiss debtors of April 1999 (*Merkblatt S-02.130.1 vom April 1999 “Geldmarktpapiere und Buchforderungen inländischer Schuldner”*), circular letter No. 15 in relation to bonds and derivative financial instruments of 7 February 2007 (*Kreisschreiben Nr. 15 vom 7. Februar 2007 betreffend Obligationen und derivative Finanzinstrumente als Gegenstand der direkten Bundessteuer, der Verrechnungssteuer sowie der Stempelabgaben*), circular letter No. 34 of 26 July 2011 (1-034-V-2011) in relation to customer credit balances (*Kreisschreiben Nr. 34 (“Kundenguthaben”) vom 26. Juli 2011*) and guideline S-02.132 in relation to issuance stamp duty on fixed deposits of 1 April 1993 (*Merkblatt S-02.132 vom 1. April 1993 betreffend Emissionsabgabe auf Festgeldanlagen bei inländischen Banken*), in each case as issued, amended or replaced from time to time, by the Swiss Federal Tax Administration, and taking into consideration any amendment of the respective legislation (including the ordinance of the Swiss Federal Council of June 18, 2010, amending Swiss withholding tax and Swiss stamp tax regulations entered into force as of August 1, 2010).

An **“Illegality Event”** shall occur if, due to the adoption of, or any change in, any applicable law after the Issue Date, or due to the promulgation of, or any change in, the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law after such date, it becomes unlawful for the Issuer (i) to perform any absolute or contingent obligation to

make a payment or delivery in respect of the Notes or any agreement entered into in connection with the Notes, (ii) to hold any Collateral or to receive a payment or delivery in respect of any Collateral or (iii) to comply with any other material provision of any agreement entered into in connection with the Notes.

“Initial Interest Period” means the period from (and including) the Interest Commencement Date to (but excluding) the Interest Reset Date.

“interest”, in the context of amounts payable in respect of the Notes, shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 7 (*Interest*).

“Interest Accrual Period” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

“Interest Amount” means, in respect of a Note and an Interest Payment Date, such Note’s *pro rata* share of an amount equal to any Collateral Interest Amount actually received by, or on behalf of, the Issuer corresponding to the relevant Interest Accrual Period relating to such Interest Payment Date as determined by the Calculation Agent.

“Interest Commencement Date” means the Collateral Issue Date.

“Interest Payment Date” means the Business Day immediately following a Collateral Interest Payment Date.

“Interest Period Date” means:

- (i) in respect of the Initial Interest Period, 16 June in each year from, and including, 16 June 2016 to, and including, 16 June 2025, which for the avoidance of doubt shall not be subject to any adjustment in accordance with a Business Day Convention; and
- (ii) following 16 June 2025, 16 March, 16 June, 16 September and 16 December in each year from, and including, 16 September 2025, subject to adjustment in accordance with the Modified Following Business Day Convention.

“Interest Reset Date” means the Collateral Interest Payment Date falling on or around 16 June 2025.

“ISDA” means the International Swaps and Derivatives Association, Inc.

“ISDA Credit Derivatives Definitions” means the 2014 ISDA Credit Derivatives Definitions, as published by ISDA.

“Issue Date” has the meaning given to it in Condition 1(b) (*Interpretation*).

“Issue Deed” means the issue deed entered into by the Transaction Parties and such other parties specified therein in relation to the Notes which, to the extent agreed amongst the parties thereto, amends the Trust Deed and the Agency Agreement in respect of the Notes (but provided that where one or more further Tranches of Notes are issued in accordance with Condition 22 (*Further Issues*) so as to be consolidated and form a single series with the Notes, and where the context so requires, references to the Issue Deed shall be deemed to include the Issue Deed entered into in respect of such further Tranche or Tranches).

“Issuer” means Demeter Investments B.V..

“Issuer Application Date” means each date on which the Issuer determines to apply the Available Proceeds in accordance with these Conditions.

“Issuer Exchange Offer” has the meaning given to it in Condition 8(g) (*Purchases*).

“Issuer Tender Offer” has the meaning given to it in Condition 8(g) (*Purchases*).

“Issuing and Paying Agent” has the meaning given to it in the recitals to these Conditions.

“Liquidation” means, in respect of any Collateral, the realisation of such Collateral for cash proceeds whether by way of sale, early redemption, early repayment or agreed termination or by such other means as the Disposal Agent determines appropriate, or, in the case of a Bankruptcy Event affecting the Issuer, realisation by such means as determined by any competent bankruptcy officer and **“Liquidate”**, **“Liquidated”** and **“Liquidating”** shall be construed accordingly.

“Liquidation Commencement Date” means the day on which the Disposal Agent receives a Liquidation Commencement Notice.

“Liquidation Commencement Notice” means a notice from the Issuer in writing to the Disposal Agent, the Custodian and the Trustee of the occurrence of a Liquidation Event.

“Liquidation Event” means the occurrence of an Early Redemption Commencement Date as a result of any of the following:

- (i) a Tax Event where no substitution or change in residence for taxation purposes is effected pursuant to Condition 8(d) (*Redemption for Taxation Reasons*), the Issuer, in the reasonable determination of the Trustee, having taken reasonable measures to arrange such substitution or change in residence for taxation purposes pursuant to Condition 8(d)(i)(A); or
- (ii) an Illegality Event where no substitution or change in legal characteristics is effected pursuant to Condition 8(e) (*Redemption following an Illegality Event*), the Issuer, in the reasonable determination of the Trustee, having taken reasonable measures to arrange such substitution or change in legal characteristics pursuant to Condition 8(e)(i)(A).

“Liquidation Expenses” has the meaning given to it in Condition 13(d) (*Costs and Expenses*).

“Manager” means each of BNP Paribas, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, J.P. Morgan Securities plc, Banca IMI S.p.A., Bayerische Landesbank and Natixis.

“Managers’ Available Proceeds” means all monies received by the Managers’ Trustee (or any receiver appointed by it) in connection with the realisation or enforcement of the Managers’ Security.

“Manager’s Claim” has the meaning given to it in Condition 5(b) (*Managers’ Security*).

“Managers’ Secured Parties” means the Managers, the Managers’ Trustee and the Enforcement Agent (to the extent that it has taken any action in connection with the Managers’ Security).

“Managers’ Secured Property” means the assets and contractual rights in respect of the agreements comprising the property over which the Managers’ Security are secured pursuant to the Trust Deed, as described in Condition 5(b) (*Managers’ Security*).

“Managers’ Security” means the security constituted by the Trust Deed in respect of the Notes as described in sub-paragraphs (i), (ii) and (iii) of Condition 5(b) (*Managers’ Security*).

“Managers’ Security Obligations” means any obligation of the Issuer to make payment to a Manager in respect of a Manager’s Claim under the Syndication Agreement or to the Managers’

Trustee or the Enforcement Agent pursuant to Condition 16(c) (*Application of Managers' Available Proceeds of Enforcement of Managers' Security*).

"Managers' Trustee" means The Bank of New York Mellon, acting through its London branch, as trustee in respect of the Managers' Security.

"Managers' Trustee Application Date" means each date on which the Managers' Trustee determines to apply the Managers' Available Proceeds in accordance with these Conditions and the provisions of the Trust Deed.

"Moody's" means Moody's Investors Service Limited, established in the European Union and registered under Regulation (EC) 1060/2009 on credit rating agencies.

"Mortgaged Property" means:

- (i) the Collateral and all property, assets and sums derived therefrom;
- (ii) all cash (if any) held by the Issuer in respect of the Notes;
- (iii) the rights and interest of the Issuer under the Purchase Agreement and the rights, title and interest of the Issuer in all property, assets and sums derived from the Purchase Agreement, but only to the extent such rights, title and interests relate to the Issuer's right to acquire the Original Collateral;
- (iv) the rights and interest of the Issuer under the Agency Agreement and the rights, title and interest of the Issuer in all property, assets and sums derived from the Agency Agreement; and
- (v) the rights, title and interest of the Issuer in any other assets, property, income, rights and/or agreements of the Issuer (other than the Issuer's share capital) from time to time charged or assigned or otherwise made subject to the Security created by the Issuer in favour of the Trustee pursuant to the Trust Deed, as the case may be,

in each case securing the Secured Payment Obligations and includes, where the context permits, any part of that Mortgaged Property.

"Note Tax Event" has the meaning given to it in Condition 8(d)(i) (*Redemption for Taxation Reasons*).

"Noteholder" means the bearer of any Note and **"holder"** (in relation to a Note, Coupon or Talon) means the bearer of any Note, Coupon or Talon.

"Notes" means the secured notes issued in accordance with these Conditions.

"Obligation" means any obligation of the Issuer for the payment or repayment of borrowed money, which shall include, without limitation, any Note and any other obligation that is in the form of, or represented by, a bond, note, certificated debt security or other debt security and any obligation that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement.

"Original Programme Deed" means an agreement entered into by the Issuer and other parties the execution of which originally created the Principal Trust Deed, the Agency Agreement and certain other documentation in respect of the Programme.

"Paying Agents" has the meaning given to it in the recitals to these Conditions.

"principal" shall be deemed to include any premium payable in respect of the Notes, any Early Redemption Amount and all other amounts in the nature of principal payable pursuant to

Condition 8 (*Redemption and Purchase*) and/or Condition 8(f) (*Redemption Following the Occurrence of an Event of Default*).

“Principal Trust Deed” means the principal trust deed originally entered into by the Issuer, The Bank of New York Mellon and others by execution of the Original Programme Deed.

“Proceedings” has the meaning given to it in Condition 26(b) (*Jurisdiction*).

“Programme” means a programme for the issuance of secured notes, which programme was established by the Issuer by execution of the Original Programme Deed.

“Programme Date” means, in respect of the Issuer and considered as at the Issue Date, the date on which the Issuer and the other parties thereto most recently entered into a Programme Deed to update the Programme.

“Prospectus Directive” means Directive 2003/71/EC and amendments thereto, including Directive 2010/73/EU.

“Programme Deed” means an agreement entered into by the Issuer and other parties on the Programme Date and the execution of which amended and restated the Principal Trust Deed, the Agency Agreement and certain other documentation in respect of the Programme.

“Purchase Agreement” has the meaning given to it in the recitals to these Conditions.

“Qualifying Bank” means:

- (i) any bank as defined in the Swiss Federal Act on Banks and Savings Banks (*Bankengesetz*); or
- (ii) a financial institution acting on its own account which (A) qualifies as a bank pursuant to the banking laws in force in its country of incorporation, or with respect to a branch, pursuant to the banking laws in force in the jurisdiction where such branch is situated, (B) carries on a true banking activity in such jurisdiction as its main purpose, and (C) has personnel, premises, communication devices and decision-making authority of its own, in each case, in accordance with the meaning of the Guidelines or legislation or explanatory notes addressing the same issues which are in force at any time.

“Quotation” has the meaning given to it in Condition 13(b)(ii)(B) (*Liquidation Process*).

“Reference Business Day” means a (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London and Zurich and (ii) a TARGET Settlement Day.

“Relevant Date” means, in respect of any Note, the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note or Coupon being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

“Relevant Noteholder Proportion” means the Noteholders in respect of which a meeting is convened or in respect of which an Extraordinary Resolution is proposed to be passed by way of Written Resolution or Electronic Consent.

“Required Ratings” has the meaning given to it in Condition 11(d) (*Replacement of Custodian and/or Issuing and Paying Agent upon a Ratings Downgrade*).

“Residual Amount” means, with respect to an application of Available Proceeds or Managers’ Available Proceeds, as applicable, all remaining proceeds (if any) after the application of the Available Proceeds or Managers’ Available Proceeds, as applicable, to satisfy the payments set out in Condition 16(a)(i) to (vi) (*Application of Available Proceeds of Liquidation*), in Condition 16(b)(i) to (vi) (*Application of Available Proceeds of Enforcement of Security*) or in Condition 16(c)(i) to (iv) (*Application of Managers’ Available Proceeds of Enforcement of Managers’ Security*), as applicable.

“Resolved” has the meaning given to it in the ISDA Credit Derivatives Definitions.

“Sanctions” means any sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. State Department, any other agency of the US Government, the United Nations, the European Union or Her Majesty’s Treasury.

“Secured Creditor” means each person that is entitled to the benefit of Secured Payment Obligations.

“Secured Payment Obligations” means the payment obligations of the Issuer under the Trust Deed and each Note, Coupon and Talon, together with any obligation of the Issuer to make payment to the Disposal Agent or any other Agent pursuant to Condition 16(a) (*Application of Available Proceeds of Liquidation*) or Condition 16(b) (*Application of Available Proceeds of Enforcement of Security*), as the case may be.

“Security” means the security constituted by the Trust Deed in respect of the Notes described in Condition 5(a) (*Security*).

“Specified Currency” means EUR, being the currency in which the Notes are denominated.

“Specified Denomination” means has the meaning given to it in Condition 2 (*Form, Specified Denomination and Title*).

“Specified Office” means, in relation to an Agent, the office identified with its name in these Conditions or any other office approved by the Trustee and notified to the Noteholders in accordance with the Principal Trust Deed.

“Standard & Poor’s” means Standard & Poor’s Credit Market Services Europe Limited, established in the European Union and registered under Regulation (EC) 1060/2009 on credit rating agencies.

“Swiss Federal Tax Administration” means the tax authorities referred to in Article 34, Swiss Federal Withholding Tax Act.

“Swiss Federal Withholding Tax Act” means the Swiss Federal Withholding Tax Act on the withholding of tax (*Verrechnungssteuergesetz*), together with the related ordinances, regulations and guidelines.

“Syndication Agreement” has the meaning given to it in the recitals to these Conditions.

“Talons” has the meaning given to it in the recitals to these Conditions.

“Target Liquidation Period” has the meaning given to it in Condition 13(b)(ii)(A) (*Liquidation Process*).

“TARGET Settlement Day” means any day on which the TARGET System is open.

“TARGET System” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) system or any successor thereto.

“**Tax Event**” means a Note Tax Event and/or a Collateral Tax Event.

“**Transaction Document**” means, in respect of the Notes, each of the Trust Deed, the Issue Deed, the Agency Agreement, the Programme Deed, the Syndication Agreement and the Purchase Agreement.

“**Transaction Party**” means each party to a Transaction Document (excluding the Programme Deed) other than the Issuer, and any other person specified as a Transaction Party in the Issue Deed.

“**Trust Deed**” means the Principal Trust Deed together with the provisions of the Issue Deed which are expressed therein as forming part of the Trust Deed.

“**Trustee**” means The Bank of New York Mellon, London Branch as initial trustee, but which definition shall include all persons for the time being acting as the trustee or trustees under the Trust Deed.

“**Trustee Application Date**” means each date on which the Trustee determines to apply the Available Proceeds in accordance with these Conditions and the provisions of the Trust Deed.

(b) Interpretation

With respect to the Notes, references to the Principal Trust Deed and the Agency Agreement, as the case may be, are to those documents as amended or supplemented from time to time (whether by way of any supplements to, or amendment and restatements of, the Original Programme Deed, as the case may be, or otherwise) in relation to the Programme as they stand as of 16 June 2015 (the “**Issue Date**” with respect to the Notes) (including any amendments or supplements made with respect only to the Notes in the Issue Deed) and thereafter, together with references to the Syndication Agreement and the Purchase Agreement, are to those documents as they may then be subsequently amended, supplemented or replaced in respect of the Notes as permitted by these Conditions and the Trust Deed with respect to the Notes. Notwithstanding the foregoing, where one or more further Tranches of Notes are issued in accordance with Condition 22 (*Further Issues*) so as to be consolidated and form a single series with the Notes, the reference to Issue Date in this paragraph shall be to the Issue Date of the first Tranche of Notes.

2 Form, Specified Denomination and Title

The Notes issued pursuant to these Conditions constitute a series (“**Series**”) issued pursuant to the Programme.

The Notes are issued in bearer form (“**Bearer Notes**”) and may have a specified denomination of not less than EUR 100,000 or integral multiples of EUR 1,000 in excess thereof (the “**Specified Denomination**”).

The Notes are serially numbered and are issued with Coupons and a Talon.

Title to the Notes, Coupons and Talons shall pass by delivery. Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it or its theft or loss, and no person shall be liable for so treating the holder.

3 No Exchange of Notes and Transfers of Notes

Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination. The Notes are Bearer Notes and may not be exchanged for registered Notes.

4 Constitution, Status and the Collateral

(a) Constitution and Status of Notes

The Notes are constituted and secured by the Trust Deed. The Notes are secured, limited recourse obligations of the Issuer, at all times ranking *pari passu* and without any preference among themselves, secured in the manner described in Condition 5 (*Security*) and recourse in respect of which is limited in the manner described in Conditions 16 (*Application of Available Proceeds or Managers' Available Proceeds*), 17 (*Enforcement of Rights or Security*) and 18(a) (*General Limited Recourse*).

(b) Original Collateral

In connection with the issue of the Notes, and pursuant to the Purchase Agreement, the Issuer will acquire rights, title and/or interest in and to the Original Collateral. Security will be granted by the Issuer over the Original Collateral in the manner set out in Condition 5 (*Security*). The Original Collateral will be held by or on behalf of the Issuer subject to the provisions of Collateral Condition 9 (*Transfer and sub-participation*) and Collateral Condition 10 (*Grants of security*).

(c) Payments in respect of the Notes linked to the Original Collateral

Payments of principal and interest in respect of the Notes are linked to payments of principal and interest in respect of the Original Collateral. Any event that permits or requires the Collateral Obligor not to make all or part of any scheduled payment of interest or principal in respect of the Original Collateral, or to delay any such scheduled interest or principal payments, will result in corresponding reductions or delays to the interest and/or principal payable in respect of the Notes.

5 Security

(a) Security

The Secured Payment Obligations are secured in favour of the Trustee for the benefit of itself and the other Secured Creditors, pursuant to the Trust Deed, by:

- (i) a first fixed charge over the Collateral and all property, assets and sums derived therefrom (from time to time);
- (ii) an assignment by way of security of all the Issuer's rights, title and interest attaching or relating to the Collateral and all property, sums or assets derived therefrom, including, without limitation, any right to delivery thereof or to an equivalent number or nominal value thereof which arises in connection with any such assets being held in a clearing system or through a financial intermediary;
- (iii) an assignment by way of security of the Issuer's rights, title and interest under the Purchase Agreement to acquire the Original Collateral;
- (iv) a first fixed charge over all proceeds of, income from, and sums arising from enforcement of any claim under the Purchase Agreement, but only to the extent such claim relates to the Issuer's right to acquire the Original Collateral;
- (v) an assignment by way of security of the Issuer's rights, title and interest against the Custodian, to the extent that they relate to the Collateral and/or the Notes;
- (vi) an assignment by way of security of the Issuer's rights, title and interest under the Agency Agreement, to the extent they relate to the Collateral and/or Notes;

- (vii) an assignment by way of security of the Issuer's rights, title and interest under the Agency Agreement, to the extent that they relate to any assets held by the Custodian in respect of the Notes;
- (viii) an assignment by way of security over the Issuer's rights, title and interest under the Trust Deed, to the extent they relate to the appointment of the Enforcement Agent as the Issuer's agent in connection with the rights and assets of the Issuer referred to in paragraphs (i) to (vii) above;
- (ix) an assignment by way of security of the Issuer's rights against the Disposal Agent under the terms of the Agency Agreement (or any other agreement entered into between the Issuer and the Disposal Agent) to the extent that such rights relate to the Collateral and/or the Notes;
- (x) a first fixed charge over all sums held or received by the Issuing and Paying Agent, the Custodian and/or the Enforcement Agent to meet payments due in respect of any Secured Payment Obligation; and
- (xi) a first fixed charge over all property, sums and assets held or received by the Disposal Agent relating to the Transaction Documents and the Collateral.

Notwithstanding the above, investors should note that where any Collateral and/or any property, sums and assets derived therefrom are held by the Custodian in book-entry form, the security interests granted in respect of the same might, as a result of such book-entry holding, take the form only of a security interest over the Issuer's rights against the Custodian in respect of such Collateral and/or property, sums and assets, as the case may be, rather than a charge over such Collateral and/or property, sums and assets derived therefrom themselves.

Certain of the assets being the subject of the Security shall be released automatically, without the need for any notice or other formalities, to the extent required for the Issuer to be able to duly make any payment or delivery in respect of the Notes and/or the other Transaction Documents which is due and payable or deliverable, or in connection with the purchase of Notes or as otherwise provided for under these Conditions or the relevant Transaction Documents.

(b) Managers' Security

Pursuant to the Trust Deed, the Managers' Security Obligations are secured in favour of the Managers' Trustee for the benefit of itself, the Managers and the Enforcement Agent by:

- (i) an assignment by way of security of the Issuer's rights, title and interest under the Purchase Agreement and all sums and assets derived therefrom, but excluding the Issuer's rights, title and interest under the Purchase Agreement to acquire the Original Collateral;
- (ii) a first fixed charge over the proceeds of, income from, and sums arising from, the enforcement of any claim under the Purchase Agreement, except for any claim of the Issuer in relation to its rights, title and interest to acquire the Original Collateral; and
- (iii) an assignment by way of security of the Issuer's rights, title and interest under the Trust Deed to the extent they relate to the appointment of the Enforcement Agent as the Issuer's agent in connection with the rights and assets referred to in paragraphs (i) and (ii) above.

The Managers' Security is granted as continuing security in respect of (i) any claim a Manager may have (a "**Manager's Claim**") against the Issuer under the Syndication Agreement arising from any representation, warranty, covenant or agreement given therein by the Issuer regarding the Collateral, the Collateral Obligor, the Collateral Guarantor and the Collateral Documentation prepared by the Collateral Obligor in respect of the Original Collateral and (ii) certain fees, costs,

remuneration, charges, expenses and liabilities of the Managers' Trustee and the Enforcement Agent (if any) relating to their respective functions under the Trust Deed in connection with the Managers' Security.

No person other than the Managers' Secured Parties shall have any interest in the Managers' Security and the Managers' Security shall not form part of the Mortgaged Property. If the Managers' Security becomes enforceable, the Security for the Notes shall not consequently become enforceable and the Notes shall not be affected thereby and shall accordingly remain outstanding.

Each Managers' Secured Party (when acting in such capacity), in respect of the Managers' Security, is subject to limited recourse provisions as described in Condition 18 (*Limited Recourse and Non-Petition*) in respect of the Managers' Secured Property, in accordance with the provisions of the Syndication Agreement and the Trust Deed in relation to the Notes, as applicable.

Neither the Manager nor the Managers' Trustee (when acting in such capacity) is permitted to take any action against the Collateral Obligor or the Collateral Guarantor or to enforce any claim that the Issuer may have against the Collateral Obligor or the Collateral Guarantor in respect of the Collateral or the Purchase Agreement or otherwise whether before, upon or after the Managers' Security becoming enforceable. The Managers' Secured Parties must rely on similar (but not identical) rights to those of the Noteholders, including a right of consultation and agreement with the Issuer (or, where applicable, the Enforcement Agent acting as agent of the Issuer) in relation to any such action or enforcement of any such claim and/or a right to remove the Managers' Trustee, in each case in accordance with the provisions of the Trust Deed in relation to the Notes.

For the avoidance of doubt, the assignment by way of security in favour of the Trustee of the Issuer's rights, title and interest under the Purchase Agreement to acquire the Collateral, and the first fixed charge in favour of the Trustee of all proceeds from, income from, and sums arising from enforcement of any such claim under the Purchase Agreement, shall form part of the Mortgaged Property (but, in the case of the latter, only if and to the extent that such claim relates to the Issuer's right to acquire the Collateral) and not the Managers' Secured Property.

(c) Issuer's Rights as Beneficial Owner of Collateral

Prior to the Trustee effectively giving a valid Enforcement Notice to the Issuer (copied to the Custodian, the Enforcement Agent and any Disposal Agent appointed at that time), the Issuer may, with the prior written consent of the Trustee or with the sanction of an Extraordinary Resolution or, where applicable, in accordance with Condition 8(g) (*Purchases*):

- (i) take such action in relation to the Mortgaged Property as it may think expedient (including to direct the Enforcement Agent to enforce the terms of the Collateral as contemplated thereby, or its rights, title and interest under the Purchase Agreement to acquire the Collateral); and
- (ii) exercise any rights incidental to the ownership of the Mortgaged Property and, in particular (but without limitation and without responsibility for their exercise), any voting rights in respect of such property and all rights to enforce any ownership interests in respect of such property.

The Issuer will not exercise any rights with respect to Mortgaged Property unless it has the consent or sanction referred to above, or is acting in accordance with Condition 8(g) (*Purchases*), and, if such consent or sanction is given, the Issuer will act only in accordance with such consent or sanction or, if it is acting in accordance with Condition 8(g) (*Purchases*), the Issuer will only act in accordance with the provisions of such Condition.

(d) Issuer's Rights as Party to the Purchase Agreement

The Issuer shall in good faith consult with the Managers to agree the manner in which the Issuer will exercise any of its rights under the Purchase Agreement (other than its rights, title and interest under the Purchase Agreement to acquire the Collateral) being the subject matter of the Managers' Security and shall (subject to it being indemnified and/or secured and/or prefunded to its satisfaction) act in accordance with any such agreement.

(e) Disposal Agent's Right Following Liquidation Event

Notwithstanding the above, following the effective delivery of a valid Liquidation Commencement Notice to the Disposal Agent (copied to each of the other Transaction Parties), the Disposal Agent on behalf of the Issuer shall have the right to undertake any action as contemplated by these Conditions and the Agency Agreement as it considers appropriate, and any actions in furtherance thereof or ancillary thereto as they relate to the relevant Mortgaged Property, without requiring any sanction referred to therein. Pursuant to the terms of the Trust Deed, upon the effective delivery of a valid Liquidation Commencement Notice to the Disposal Agent the Security described in Condition 5(a) (*Security*) will automatically be released without further action on the part of the Trustee to the extent necessary for the Disposal Agent to effect the Liquidation of the relevant Mortgaged Property, provided that nothing in this Condition 5(e) will operate to release the charges and other security interests over the proceeds of the Liquidation of the Mortgaged Property or over any Mortgaged Property not subject to such Liquidation.

6 Restrictions

So long as any Note remains outstanding, the Issuer shall not, without the prior consent in writing of the Trustee, but subject to the provisions of Condition 13 (*Liquidation*):

- (a) engage in any business other than the issuance or entry into of Obligations, the entry into of related agreements and transactions and the performing of acts incidental thereto or necessary in connection therewith, and provided that:
 - (i) such Obligations are secured on assets of the Issuer other than the Issuer's share capital and any assets securing any other Obligations (other than Equivalent Obligations); and
 - (ii) such Obligations and any related agreements contain provisions that limit the recourse of any holder of, or counterparty to, such Obligations and of any party to any related agreement to assets other than those to which any other Obligations (other than Equivalent Obligations) have recourse;
- (b) sell, transfer or otherwise dispose of any of the Mortgaged Property or any right or interest therein or create any mortgage, charge or other security or right of recourse in respect thereof;
- (c) cause or permit the priority of the Security created by the Trust Deed to be amended, terminated or discharged;
- (d) release any party to the Principal Trust Deed or the Issue Deed from any existing obligations thereunder;
- (e) have any subsidiaries;
- (f) consent to any variation of, or exercise any powers of consent or waiver pursuant to, the terms of these Conditions, the Principal Trust Deed, the Issue Deed or any other Transaction Document;
- (g) consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any person;

- (h) have any employees;
 - (i) issue any shares (other than such shares as are in issue at the date hereof) or make any distribution to its shareholders (other than in relation to the above-mentioned shares already in issue at the date hereof);
 - (j) open or have any interest in any account with a bank or financial institution unless (i) such account relates to the issuance or entry into of Obligations and such Obligations have the benefit of security over the Issuer's interest in such account or (ii) such account is opened in connection with the administration and management of the Issuer and only moneys necessary for that purpose are credited to it;
 - (k) declare any dividends;
 - (l) purchase, own, lease or otherwise acquire any real property (including office premises or like facilities);
 - (m) guarantee, act as surety for or become obligated for the debts of any other entity or person or enter into any agreement with any other entity or person whereby it agrees to satisfy the obligations of such entity or person or any other entity or person;
 - (n) acquire any securities or shareholdings whatsoever from its shareholders or enter into any agreements whereby it would be acquiring the obligations and/or liabilities of its shareholders;
 - (o) except as required in connection with the issuance or entry into of Obligations, advance or lend any of its moneys or assets, including but not limited to the Mortgaged Property, to any other entity or person; or
 - (p) approve, sanction or propose any amendment to its constitutional documents,
- except as provided for or contemplated in these Conditions or any Transaction Document.

7 Interest

(a) Interest on the Notes

Each Note bears interest on its outstanding nominal amount at the relevant Collateral Rate of Interest in respect of the relevant Interest Accrual Period from (and including) the Interest Commencement Date. The Collateral Rate of Interest in respect of the Initial Interest Period is a fixed rate of interest and, thereafter, is a floating rate of interest.

Interest shall be payable on the Notes in arrear on each Interest Payment Date in respect of the relevant Interest Accrual Period. Subject to Condition 9 (*Calculations, Rounding and Business Day Convention*), for each Interest Payment Date on which a Note is outstanding, the relevant Interest Amount shall be due and payable in respect of the relevant Note on such Interest Payment Date.

For the avoidance of doubt, the Issuer will only be obliged to pay an Interest Amount on the Notes if it actually receives a corresponding Collateral Interest Amount under the Collateral and in no event shall Noteholders at any time be entitled to any Interest Amounts in excess of their *pro rata* share of the amount of interest that is payable on the Collateral pursuant to the Collateral Conditions and assuming that no Swiss Withholding Tax (as defined in the Collateral Conditions) is deducted.

(b) Accrual of Interest

Interest shall cease to accrue on each Note from the end of the day preceding the date on which the final Interest Accrual Period is stated to end save that if, upon due presentation, payment of the full amount of principal and/or interest due on such due date for redemption is improperly withheld or refused, interest shall continue to accrue daily on the unpaid amount of principal (after as well as before judgment) from and including the due date for redemption to but excluding the day preceding the day of the actual redemption of the Original Collateral at the most recently prevailing Collateral Rate of Interest and, thereafter, at the overnight rate for deposits in EUR as determined by the Calculation Agent in a commercially reasonable manner. Such overnight rate of interest (the **"Default Interest"**) shall be compounded daily with respect to the overdue sum at the above rate.

8 Redemption and Purchase

(a) No Fixed Maturity

The Notes are perpetual securities in respect of which there is no fixed maturity date.

(b) Redemption Following a Collateral Call

- (i) Provided that no Early Redemption Commencement Date or Early Redemption Date has occurred pursuant to any other Condition in respect of a Note (which, for the avoidance of doubt, may have occurred separately pursuant to one or more Conditions), if a Collateral Call occurs with respect to the Collateral (the date on which the Issuer receives notice of such Collateral Call pursuant to Collateral Condition 5.2 (*Optional redemption*) or Collateral Condition 5.3 (*Special Early Redemption*) being the **"Collateral Call Notification Date"**), then:
- (A) as soon as reasonably practicable, and in any event within the period of five Reference Business Days commencing on (and including) the Collateral Call Notification Date, the Issuer (or the Issuing and Paying Agent on its behalf, having been supplied by the Issuer or the Calculation Agent with the relevant notice) will give a notice to the Noteholders (copied to the Issuing and Paying Agent and the Trustee, as applicable) of the occurrence of the Collateral Call, including a description in reasonable detail of the facts relevant to such event; and
- (B) each Note shall become due and payable at an amount (the **"Collateral Call Redemption Amount"**) equal to such Note's *pro rata* share of the related Collateral Redemption Amount on the second Reference Business Day immediately following the later of (I) the date upon which the Collateral has become redeemable or repayable in whole following the occurrence of a Collateral Call and (II) the date on which the Issuer (or the Custodian on its behalf) has provided the Calculation Agent with all information required in respect of the Collateral Redemption Amount in order to enable the Calculation Agent to determine the related amounts payable in respect of each Note (the **"Collateral Call Redemption Date"**), irrespective of whether the relevant Collateral Call is continuing.
- (ii) Notwithstanding any provision to the contrary, if at any time following a Collateral Call Notification Date, but prior to the consequential redemption of the Notes pursuant to this Condition 8(b), a Collateral Event occurs, then the Issuer shall give notice of an Early Redemption Date pursuant to Condition 8(c) (*Redemption Following a Collateral Event*), the Notes shall be redeemed pursuant to the provisions of Condition 8(c) (*Redemption*

Following a Collateral Event) and any notice of redemption given pursuant to this Condition 8(b) shall be deemed to be void.

- (iii) For the avoidance of doubt, none of the Issuer, the Trustee, the Disposal Agent or the Calculation Agent shall be required to monitor, enquire or satisfy itself as to whether any Collateral Call has occurred. Neither the Trustee nor the Calculation Agent shall have any obligation, responsibility or liability for giving or not giving any notice thereof to the Issuer or any Secured Creditor. If the Issuer effectively gives a notice to the Trustee of the occurrence of a Collateral Call, the Trustee shall be entitled to rely conclusively on such notice without further investigation.

(c) Redemption Following a Collateral Event

- (i) If the Calculation Agent determines that a Collateral Event has occurred with respect to the Collateral and gives notice of such determination (including a description in reasonable detail of the facts relevant to such determination) to the Issuer (copied to the Issuing and Paying Agent and the Trustee) (the date of such determination being the “**Collateral Event Determination Date**”), then:
 - (A) as soon as reasonably practicable, and in any event within the period of five Reference Business Days commencing on (and including) the Collateral Event Determination Date, the Issuer (or the Issuing and Paying Agent on its behalf, having been supplied by the Issuer or the Calculation Agent with the relevant Early Redemption Notice) will give an Early Redemption Notice to the Noteholders of the determination of the Collateral Event (the date of such notice to the Noteholders being the “**Early Redemption Commencement Date**”), including a description in reasonable detail of the facts relevant to such determination, by forwarding with such Early Redemption Notice a copy of the notice delivered by the Calculation Agent with respect to the Collateral Event Determination Date or the information provided therein; and
 - (B) each Note shall become due and payable on the related Early Redemption Date at its Early Redemption Amount (which shall be the only amount payable and there will be no separate payment of any unpaid accrued interest thereon), irrespective of whether the relevant Collateral Event is continuing.
- (ii) Notwithstanding any provision to the contrary, if at any time prior to the redemption of the Notes pursuant to any of Condition 8(b) (*Redemption Following a Collateral Call*), 8(d) (*Redemption for Taxation Reasons*) or 8(e) (*Redemption Following an Illegality Event*), (A) a Collateral Event occurs; and (B) (I) following the occurrence of a Liquidation Event, the Issuer, or the Disposal Agent on the Issuer’s behalf, has not entered into any binding agreement to effect a Liquidation of any Collateral, and (II) neither the Trustee nor the Enforcement Agent has enforced the Security, then, in each case, the Issuer shall give notice of an Early Redemption Date pursuant to this Condition 8(c), the Notes shall be redeemed pursuant to the provisions of this Condition 8(c) and any notice of redemption given pursuant to Condition 8(b) (*Redemption Following a Collateral Call*), 8(d) (*Redemption for Taxation Reasons*) or 8(e) (*Redemption Following an Illegality Event*) shall be deemed to be void.
- (iii) For the avoidance of doubt, none of the Issuer, the Trustee, the Disposal Agent or the Calculation Agent shall be required to monitor, enquire or satisfy itself as to whether any Collateral Event has occurred. Neither the Trustee nor the Calculation Agent shall have any obligation, responsibility or liability for giving or not giving any notice thereof to the Issuer or any Secured Creditor. If the Issuer or the Calculation Agent effectively gives a notice to the

Trustee of the occurrence of a Collateral Event, the Trustee shall be entitled to rely conclusively on such notice without further investigation.

(d) Redemption for Taxation Reasons

- (i) Subject to Condition 8(d)(ii) and provided that no Collateral Call Redemption Date, Early Redemption Commencement Date or Early Redemption Date has occurred pursuant to any other Condition in respect of all Notes then outstanding (which, for the avoidance of doubt, may have occurred separately pursuant to one or more Conditions), the Issuer shall, as soon as is practicable after becoming aware of (whether by notice thereof from the Calculation Agent or otherwise) the occurrence of a Tax Event (or, in any case, within two Reference Business Days thereof), inform the Trustee, and shall use all reasonable endeavours to arrange, in accordance with the Trust Deed, the substitution of a company incorporated in another jurisdiction approved beforehand in writing by the Trustee (provided that such substitution will not, at the time of substitution, result in any rating assigned to the Notes being adversely affected, as confirmed in writing by Standard & Poor's) as the principal obligor or to change (to the satisfaction of the Trustee and provided that such change will not, at the time of such change, result in any rating assigned to the Notes being adversely affected, as confirmed in writing by Standard & Poor's) its residence for taxation purposes to another jurisdiction approved beforehand in writing by the Trustee, and:
- (A) if it is unable to arrange such substitution or change in residence subsequent to taking reasonable measures to do so before the next payment is due in respect of the Notes, then the Issuer shall give an Early Redemption Notice to the Noteholders and each Note shall become due and payable on the related Early Redemption Date at its Early Redemption Amount (which shall be the only amount payable and there will be no separate payment of any unpaid accrued interest thereon). The date on which such Early Redemption Notice is deemed to have been given shall be an **"Early Redemption Commencement Date"**; or
- (B) if it is unable to arrange such substitution or change in residence and it fails, in the reasonable determination of the Trustee (acting on the instruction of an Extraordinary Resolution), to take reasonable measures to do so before the next payment is due in respect of the Notes, then: (i) upon making such determination, the Trustee shall give notice to the Issuer and the Noteholders of such determination; (ii) upon giving such notice (the date upon which such notice is deemed to have been given being an **"Early Redemption Commencement Date"**) each Note shall become due and payable on the related Early Redemption Date at its Early Redemption Amount (which shall be the only amount payable and there will be no separate payment of any unpaid accrued interest thereon); and (iii) the Security will become enforceable in accordance with Condition 14(b) (*Enforcement of Security*) and the Trustee shall so enforce the Security to the extent it is permitted to do so under the Trust Deed (subject to it being secured and/or indemnified and/or prefunded to its satisfaction and subject to it receiving an Extraordinary Resolution) and in accordance with Condition 14 (*Enforcement of Security*), and, for the avoidance of doubt, in doing so the Trustee shall be entitled to undertake all such actions that the Issuer was entitled to undertake if it were to have arranged such a substitution.

A **"Note Tax Event"** will occur if:

- (I) either the Issuer or the Calculation Agent determines that on the due date for any payment in respect of the Notes, the Issuer will be required by any applicable law to

withhold, deduct or account for an amount for any present or future taxes, duties or charges of whatsoever nature other than a withholding or deduction in respect of FATCA or would suffer the same in respect of its income so that it would be unable to make in full the payment in respect of the Notes in respect of such due date; or

- (II) on the due date for any payment in respect of the Notes, such a withholding, deduction or account is actually made in respect of any payment in respect of the Notes,

other than where such event constitutes a Collateral Tax Event.

A “**Collateral Tax Event**” will occur if the Issuer, in its or the Calculation Agent’s determination:

- (I) is or will be unable to receive any payment due in respect of any Collateral in full on the due date therefor without a deduction for or on account of any withholding tax, back-up withholding or other tax, duties or charges of whatsoever nature imposed by any authority of any jurisdiction;
- (II) is or will be required to pay any tax, duty or charge of whatsoever nature imposed by any authority of any jurisdiction in respect of any payment received in respect of any Collateral; and/or
- (III) is or will be required to comply with any tax reporting requirement (other than in respect of FATCA) of any authority of the Netherlands or Switzerland in respect of any payment received in respect of any Collateral,

provided that the Issuer, using reasonable efforts prior to the due date for the relevant payment, is (or would be) unable to avoid such deduction(s) and/or payment(s) and/or comply with such reporting requirements described in sub-paragraphs (I) to (III) of this definition by filing a valid declaration that it is not a resident of such jurisdiction and/or by executing any certificate, form or other document in order to make a claim under a double taxation treaty or other exemption available to it or otherwise to comply with such reporting requirements. If the action that the Issuer would be required to undertake so as to avoid any such deduction(s), payment(s) and/or comply with such reporting requirements would involve any material expense or is, in the sole opinion of the Issuer (acting in good faith), unduly onerous the Issuer shall not be required to take any such action. Without prejudice to the generality of the foregoing, a withholding imposed on payments in respect of any Collateral as a result of FATCA shall constitute a Collateral Tax Event. For the purposes of this definition, if on the date falling 60 days prior to the earliest date on which FATCA Withholding Tax could apply to payments under, or in respect of sales proceeds of, the relevant Collateral (such 60th day prior being the “**FATCA Test Date**”), the Issuer is a “nonparticipating foreign financial institution” (as such term is used under section 1471 of the U.S. Internal Revenue Code or in any regulations or guidance thereunder), the Issuer will be deemed on the FATCA Test Date to be unable to receive a payment due in respect of such Collateral in full on the due date therefor without deduction for or on account of any withholding tax and, therefore, a Collateral Tax Event will have occurred on the FATCA Test Date.

- (ii) Notwithstanding the foregoing, if the requirement to withhold, deduct or account for any present or future taxes, duties or charges of whatsoever nature referred to in paragraph (i) above arises solely as a result of:

- (A) any Noteholder's or Couponholder's connection with the jurisdiction of incorporation of the Issuer otherwise than by reason only of the holding of any Note or receiving or being entitled to any payment in respect thereof; or
- (B) a withholding or deduction imposed on a payment by or on behalf of the Issuer to an individual required to be made pursuant to European Council Directive 2003/48/EC (the "**Directive**"), or the Agreement between the European Community and the Swiss Confederation dated 26 October 2004 providing for measures equivalent to those laid down in the Directive (the "**Swiss Agreement**"), or any other directive implementing the conclusions of the ECOFIN Council meeting of 26 and 27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive or the Swiss Agreement; or
- (C) the presentation for payment of any Note or Coupon by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union; or
- (D) any taxes required to be withheld or deducted from a payment pursuant to laws enacted by Switzerland providing for the taxation of payments according to principles similar to those laid down in the draft legislation proposed by the Swiss Federal Council on 17 December 2014 (*Zahlstellensteuer*), in particular the principle to have a person other than the issuer or the guarantor withhold or deduct tax; or
- (E) where such withholding or deduction is required to be made pursuant to any agreements between Switzerland and other countries on final withholding taxes levied by Swiss paying agents (being any agents receiving payments) in respect of persons resident in the other country on income of such person on any Note or Coupon booked or deposited with a Swiss paying agent (*Abgeltungssteuer*) and any law or other governmental regulation implementing or complying with, or introduced in order to conform to, such agreements,

then, to the extent possible, the Issuer shall deduct such taxes, duties or charges, as applicable, from the amount(s) payable to such Noteholder and provided that payments to other Noteholders would not be impaired, the Issuer shall not give an Early Redemption Notice pursuant to Condition 8(d)(i) (*Redemption for Taxation Reasons*). Any such deduction shall not constitute an Event of Default under Condition 8(f) (*Redemption Following the Occurrence of an Event of Default*), a Liquidation Event under Condition 13 (*Liquidation*) or an Enforcement Event under Condition 14 (*Enforcement of Security*).

- (iii) In respect of this Condition 8(d), if a tax deduction or withholding (collectively, a "**Collateral Tax Deduction**") is required by law to be made by the Collateral Obligor in respect of any payment of principal or interest in respect of the Collateral for any taxes, duties, assessments or governmental charges of whatever nature imposed by or on behalf of Switzerland, such Collateral Tax Deduction shall not constitute a Collateral Tax Event if:
 - (A) there is an actual payment by the Collateral Obligor of a corresponding payment of additional amounts pursuant to Collateral Condition 7(a) (*Taxation*); or
 - (B) no such additional amounts pursuant to Collateral Condition 7(a) (*Taxation*) are paid by the Collateral Obligor due to it being unlawful for the Collateral Obligor to make such payments but an adjustment is instead made to the rate of interest in respect of

the Collateral pursuant to Collateral Condition 3.3 (*Recalculation of Interest*) and reflected in the Collateral Rate of Interest on the Notes.

- (iv) Prior to the publication of any Early Redemption Notice pursuant to this Condition, the Issuer shall deliver to the Trustee a certificate signed by one or two (as appropriate) directors of the Issuer stating that the obligations referred to in the definition of "Tax Event" above cannot be avoided by the Issuer taking reasonable measures available to it, and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the conditions precedent set out in this Condition, in which event such acceptance shall be conclusive and binding on the Noteholders.
- (v) Notwithstanding any provision to the contrary, if at any time following an Early Redemption Notice having been given under, but prior to the consequential redemption of the Notes pursuant to, this Condition 8(d), (A) a Collateral Event occurs; and (B) (I) the Issuer, or the Disposal Agent on the Issuer's behalf, has not entered into any binding agreement to effect a Liquidation of any Collateral, and (II) neither the Trustee nor the Enforcement Agent has enforced the Security, then the Issuer shall give notice of an Early Redemption Date pursuant to Condition 8(c) (*Redemption Following a Collateral Event*), the Notes shall be redeemed pursuant to the provisions of Condition 8(c) (*Redemption Following a Collateral Event*) and any notice of redemption given pursuant to this Condition 8(d) shall be deemed to be void.
- (vi) For the avoidance of doubt, none of the Issuer, the Trustee, the Disposal Agent or the Calculation Agent shall be required to monitor, enquire or satisfy itself as to whether any Tax Event has occurred. Neither the Trustee nor the Calculation Agent shall have any obligation, responsibility or liability for giving or not giving any notice thereof to the Issuer or any Secured Creditor. If the Issuer effectively gives a notice to the Trustee of the occurrence of a Tax Event, the Trustee shall be entitled to rely conclusively on such notice without further investigation.

(e) Redemption Following an Illegality Event

- (i) Provided that no Collateral Call Redemption Date, Early Redemption Commencement Date or Early Redemption Date has occurred pursuant to any other Condition in respect of all Notes then outstanding (which, for the avoidance of doubt, may have occurred separately pursuant to one or more Conditions), the Issuer shall, as soon as is practicable after becoming aware (whether by notice thereof from the Calculation Agent or otherwise) of the occurrence of an Illegality Event (or, in any case, within two Reference Business Days thereof), inform the Trustee, and shall use all reasonable endeavours to arrange, in accordance with the Trust Deed, the substitution of a company, being a company whose legal characteristics are such that if it were to perform the obligations of the Issuer, no Illegality Event would arise, that is approved beforehand in writing by the Trustee (provided that such substitution will not, at the time of substitution, result in any rating assigned to the Notes being adversely affected, as confirmed in writing by Standard & Poor's) as the principal obligor or to change (to the satisfaction of the Trustee and provided that such change will not, at the time of such change, result in any rating assigned to the Notes being adversely affected, as confirmed in writing by Standard & Poor's) its legal characteristics such that no Illegality Event arises in respect of it, as approved beforehand in writing by the Trustee, and:
 - (A) if it is unable to arrange such substitution or change in legal characteristics subsequent to taking reasonable measures to do so before the next payment is due in respect of the Notes, then the Issuer shall give an Early Redemption Notice to the

Noteholders and each Note shall become due and payable on the related Early Redemption Date at its Early Redemption Amount (which shall be the only amount payable and there will be no separate payment of any unpaid accrued interest thereon). The date on which such Early Redemption Notice is deemed to have been given shall be an “**Early Redemption Commencement Date**”; or

(B) if it is unable to arrange such substitution or change in legal characteristics and it fails, in the reasonable determination of the Trustee (acting on the instruction of an Extraordinary Resolution), to take reasonable measures to do so before the next payment date is due in respect of the Notes, then: (i) upon making such determination, the Trustee shall give notice to the Issuer and the Noteholders of such determination; (ii) upon giving such notice (the date upon which such notice is deemed to have been given being an “**Early Redemption Commencement Date**”) each Note shall become due and payable on the related Early Redemption Date at its Early Redemption Amount (which shall be the only amount payable and there will be no separate payment of any unpaid accrued interest thereon); and (iii) the Security will become enforceable in accordance with Condition 14(b) (*Enforcement of Security*) and the Trustee shall so enforce the Security to the extent it is permitted to do so under the Trust Deed (subject to it being secured and/or indemnified and/or prefunded to its satisfaction and subject to it receiving an Extraordinary Resolution) in accordance with Condition 14 (*Enforcement of Security*), and, for the avoidance of doubt, in doing so the Trustee shall be entitled to undertake all such actions that the Issuer was entitled to undertake if it were to have arranged such a substitution.

- (ii) Notwithstanding any provision to the contrary, if at any time following an Early Redemption Notice having been given under, but prior to the consequential redemption of the Notes pursuant to, this Condition 8(e), (A) a Collateral Event occurs; and (B) (I) the Issuer, or the Disposal Agent on the Issuer’s behalf, has not entered into any binding agreement to effect a Liquidation of any Collateral, and (II) neither the Trustee nor the Enforcement Agent has enforced the Security, then the Issuer shall give notice of an Early Redemption Date pursuant to Condition 8(c) (*Redemption Following a Collateral Event*), the Notes shall be redeemed pursuant to the provisions of Condition 8(c) (*Redemption Following a Collateral Event*) and any notice of redemption given pursuant to this Condition 8(e) shall be deemed to be void.
- (iii) For the avoidance of doubt, none of the Issuer, the Trustee, the Disposal Agent or the Calculation Agent shall be required to monitor, enquire or satisfy itself as to whether any Illegality Event has occurred. Neither the Trustee nor the Calculation Agent shall have any obligation, responsibility or liability for giving or not giving any notice thereof to the Issuer or any Secured Creditor. If the Issuer effectively gives notice to the Trustee and/or the Calculation Agent of the occurrence of an Illegality Event, the Trustee and/or Calculation Agent, as the case may be, shall be entitled to rely on such notice without further investigation.

(f) Redemption Following the Occurrence of an Event of Default

- (i) If any of the following events (each an “**Event of Default**”) occurs, provided that no Collateral Call Redemption Date, Early Redemption Commencement Date or Early Redemption Date has occurred pursuant to this or any other Condition in respect of all Notes outstanding (which, for the avoidance of doubt, may have occurred separately pursuant to one or more Conditions), the Trustee at its discretion may, and if directed by an Extraordinary Resolution shall (provided that the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction), give an Early Redemption Notice to

the Issuer that all but not some only of the Notes shall become due and payable at the Early Redemption Amount (which shall be the only amount payable and there will be no separate payment of any unpaid accrued interest thereon) on the Early Redemption Date:

- (A) default is made for more than 14 days in the payment of any interest or any other sum in respect of any Notes other than a Collateral Call Redemption Amount or Early Redemption Amount or where any such default occurs as a result of a Collateral Event, a Tax Event or an Illegality Event;
 - (B) the Issuer does not perform or comply with any one or more of its other obligations under any Notes or the Trust Deed which default is incapable of remedy or, if in the opinion of the Trustee such default is capable of remedy, is not in the opinion of the Trustee remedied within 30 days after notice of such default shall have been effectively given to the Issuer by the Trustee; or
 - (C) the Issuer: (1) is dissolved (other than pursuant to a consolidation, amalgamation or merger on terms previously approved in writing by the Trustee or sanctioned by an Extraordinary Resolution); (2) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due; (3) save to the extent contemplated in the Trust Deed, makes a general assignment, arrangement, scheme or composition with or for the benefit of the Noteholders, or such a general assignment, arrangement, scheme or composition becomes effective; (4) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other similar relief under any bankruptcy or insolvency law or other law affecting creditors' rights, or a petition is presented for its winding up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition either results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding up or liquidation, or is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; (5) has a resolution passed for its winding up or liquidation (other than pursuant to a consolidation, amalgamation or merger); (6) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for any assets on which the liabilities of the Issuer under the relevant Notes are secured pursuant to the Trust Deed; (7) other than the Trustee (except in circumstances where the Trustee is enforcing the Security pursuant to the Trust Deed) or the Custodian, has a secured party take possession of any assets on which the liabilities of the Issuer under the relevant Notes are secured pursuant to the Trust Deed or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against any assets on which the liabilities of the Issuer under the relevant Notes are secured pursuant to the Trust Deed and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; or (8) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (7).
- (ii) For the purposes of the Conditions and the Transaction Documents, in relation to any Events of Default, the date on which the related Early Redemption Notice is deemed to be given shall be an **"Early Redemption Commencement Date"**.

- (iii) The Issuer has undertaken in the Principal Trust Deed that, within ten Business Days of the publication of the Issuer's annual financial statements in each year and within 14 days of any request from the Trustee, it will send to the Trustee a certificate signed by a Director (or by two Directors if the Issuer has more than one Director) to the effect that, having made all reasonable enquiries, to the best of the knowledge, information and belief of the Issuer as at a date not more than five days prior to the date of the certificate, no Event of Default or event or circumstance that could with the giving of notice, lapse of time and/or issue of a certificate, become an Event of Default has occurred since the certification date of the last such certificate or (if none) the date of such Principal Trust Deed or, if such an event had occurred, giving details thereof.

(g) Purchases

- (i) The Issuer may purchase Notes (provided that all unmatured Coupons and un-exchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price. Such Notes may be held, re-issued, resold or, at the option of the Issuer and subject to the consent of the Trustee surrendered to the Issuing and Paying Agent for cancellation. The consent of the Trustee in such circumstances shall be dependent upon the Issuer satisfying the Trustee that the Issuer has made arrangements for the realisation of no more than the equivalent proportion of the Collateral in connection with the proposed purchase of the Notes, which transactions will leave the Issuer with no assets or net liabilities in respect thereof.
- (ii) In addition:
 - (A) The Issuer may at any time make an offer to purchase the Notes for cash consideration (an "**Issuer Tender Offer**") and/or to exchange the Notes for non-cash assets (an "**Issuer Exchange Offer**") (in each case, whether by private treaty or tender offer). Any Issuer Tender Offer or Issuer Exchange Offer may only be made on a limited recourse basis and upon terms that will ensure that after any such purchase or exchange of Notes, the aggregate principal amount of Notes outstanding will be the same as the aggregate principal amount of Collateral outstanding. The Issuer shall not make an Issuer Tender Offer or an Issuer Exchange Offer (I) without first having entered into an agency agreement with an agent to act as tender agent or, as the case may be, exchange agent for the Issuer in connection with the Issuer Tender Offer or the Issuer Exchange Offer and (II) without first being satisfied (whether by it being indemnified and/or secured and/or prefunded to its satisfaction or otherwise) that its costs and expenses in connection with the same will be met.
 - (B) If at any time the Collateral Obligor makes an offer to the Issuer, or to the Custodian on behalf of the Issuer, to purchase the Collateral for cash consideration (a "**Collateral Obligor Tender Offer**") or for non-cash assets (a "**Collateral Obligor Exchange Offer**"), then the Issuer shall not accept such Collateral Obligor Tender Offer or Collateral Obligor Exchange Offer (notwithstanding anything to the contrary in Condition 20(a) (*Meetings of Noteholders*)), and the Trustee shall not be permitted to release the Security created over the Collateral pursuant to the Trust Deed, other than in accordance with paragraphs (C) and (D) below.
 - (C) Subject to the requirements of paragraph (A) above, the Issuer shall make an Issuer Tender Offer or, as the case may be, an Issuer Exchange Offer, upon the occurrence of a Collateral Obligor Tender Offer or, as the case may be, a Collateral

Obligor Exchange Offer unless in the reasonable opinion of the Issuer, the Issuer would be materially disadvantaged by the same.

(D) For purposes of any Issuer Tender Offer or Issuer Exchange Offer, whether or not relating to any Collateral Obligor Tender Offer or Collateral Obligor Exchange Offer, the Trustee shall not release the Security created over the Collateral pursuant to the Trust Deed except that it may release the Security to the extent that after such release and taking into account any purchase or exchange of Notes pursuant to any Issuer Tender Offer or Issuer Exchange Offer, the aggregate principal amount of the Collateral outstanding will be the same as the aggregate principal amount of Notes outstanding. To the extent that such Issuer Tender Offer or Issuer Exchange Offer relates to any Collateral Obligor Tender Offer or, as the case may be, Collateral Obligor Exchange Offer, following the release of such Security the Issuer shall accept (or procure the acceptance of) such Collateral Obligor Tender Offer or Collateral Obligor Exchange Offer in respect of the Security so released.

(iii) Any purchase, Issuer Tender Offer or Issuer Exchange Offer shall be subject to any terms and conditions required by the Trustee and shall, for as long as the Notes are listed on the official list of the Irish Stock Exchange and admitted to trading on the regulated market of the Irish Stock Exchange, be in accordance with all applicable rules and regulations of the Irish Stock Exchange.

(iv) Any failure by the Issuer to make a payment or delivery due in connection with any such purchase (including under a Issuer Tender Offer or Issuer Exchange Offer) shall constitute a default in payment in respect of the Notes for the purposes of Condition 8(f) (*Redemption Following the Occurrence of an Event of Default*).

(h) Cancellation

All Notes purchased by or on behalf of the Issuer may be surrendered for cancellation by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to or to the order of the Issuing and Paying Agent and shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and all unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

(i) Effect of Redemption, Purchase and Cancellation

Upon any of the Notes being redeemed or purchased and cancelled, Conditions 8(a) (*No Fixed Maturity*) to 8(g) (*Redemption Following the Occurrence of an Event of Default*) (inclusive) shall no longer apply to such Notes.

9 Calculations, Rounding and Business Day Convention

(a) Calculation of any Interest Amounts, Collateral Call Redemption Amounts or Early Redemption Amounts

(i) In respect of each Interest Payment Date, the Calculation Agent shall, subject to Condition 9(a)(ii), calculate the Interest Amount due and payable on such Interest Payment Date in respect of each Note outstanding on such Interest Payment Date.

(ii) In order to enable the Calculation Agent to perform its functions under these Conditions, the Issuer shall provide to the Calculation Agent (or procure the provision of) any information required in order to enable the Calculation Agent to determine any Interest

Amount, Collateral Call Redemption Amount or Early Redemption Amount or any other amount payable hereunder. The Calculation Agent shall not be liable for any failure to comply with its obligations under these Conditions as a result of any failure by the Issuer to provide (or procure the provision of) any such information.

(b) Determination or Calculation by Trustee

If the Calculation Agent does not at any time for any reason determine or calculate any Interest Amount, Collateral Call Redemption Amount, Early Redemption Amount or any other amount, then the Trustee, subject to it being indemnified and/or secured and/or prefunded to its satisfaction, may make such determinations and calculations in place of the Calculation Agent (or may appoint an agent on its behalf to do so). Any such determination or calculation so made by the Trustee (or its agent) shall, for the purposes of these Conditions and the Transaction Documents, be deemed to have been made by the Calculation Agent. In doing so, the Trustee shall apply the provisions of these Conditions and/or the relevant Transaction Document(s) with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(c) Rounding

For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (i) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 of a percentage point being rounded up to 0.00001) and (ii) all currency amounts that fall due and payable shall be rounded down, if necessary, to the nearest unit of such currency. For these purposes, "unit" means the lowest amount of such currency that is available as legal tender in the country(ies) of such currency (e.g. one cent or one pence).

(d) Business Day Convention

Where any date referred to in these Conditions that is specified to be subject to adjustment in accordance with the Modified Following Business Day Convention would otherwise fall on a day that is not a Reference Business Day, then such date shall be postponed to the next day that is a Reference Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Reference Business Day.

10 Payments

(a) Payments of Principal and Interest

Payments of principal and interest in respect of the Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Notes (in the case of all payments of principal and, in the case of interest, as specified in Condition 10(c) (*Unmatured Coupons and Unexchanged Talons*)) or Coupons (in the case of interest, save as specified in Condition 10(c) (*Unmatured Coupons and Unexchanged Talons*)), as the case may be, at the Specified Office of any Paying Agent outside the United States by transfer to an account denominated in such currency with a Bank nominated by such holder presenting such Note and/or Coupons, as the case may be. "Bank" means a bank in the principal financial centre for such currency or in the case of euro in a city in which banks have access to the TARGET System.

(b) Payments Subject to Fiscal Laws

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment. No commission or expenses shall be charged to the Noteholders or the Couponholders in respect of such payments.

(c) Unmatured Coupons and Unexchanged Talons

- (i) Upon the due date for redemption of any Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (ii) Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iii) Where any Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of these Notes is presented for redemption without all unmatured Coupons, and where any Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provisions of such indemnity as the Issuer may require.
- (iv) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Note representing it.
- (v) Default Interest on any Note shall only be payable against presentation (and surrender if appropriate) of the relevant Note representing it.

(d) Talons

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Note, the Talon forming part of such Coupon sheet may be surrendered at the Specified Office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 19 (*Prescription*)).

(e) Non-Business Days

If any date for payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day or to any interest or other sum in respect of such postponed payment. In this Condition 10(e), “**business day**” means (i) a Reference Business Day and (ii) a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation.

(f) Suspension of Obligations Following a Sanctions Event

Notwithstanding Condition 8(e) (*Redemption Following an Illegality Event*), if the Calculation Agent determines (in its sole and absolute discretion) that on any day any Note, Noteholder, the Issuer, the Collateral, the Collateral Obligor, the Collateral Guarantor, the Trustee, the Arranger, any Agent and/or any Manager:

- (i) has become subject to Sanctions; and

- (ii) as a result of such Sanctions, it has become unlawful for any of the above mentioned parties to perform any of their obligations under any of the Transaction Documents (a “**Sanctions Event**”),

the Calculation Agent may (in its sole and absolute discretion) give notice to the Issuer and the Transaction Parties (and the Issuer (or the Issuing and Paying Agent on its behalf, having been supplied by the Issuer or the Calculation Agent with the relevant notice) shall, following receipt of such notice, to the extent permitted by law, give a notice to the Noteholders of the determination of the Sanctions Event) upon which the affected obligations, including the obligation to make any payments, shall be suspended and remain suspended until the date on which the Calculation Agent notifies the Transaction Parties that it has determined that such Sanctions Event is no longer continuing (such date, the “**Sanctions Event End Date**”).

For as long as a Sanctions Event is continuing, all amounts that would otherwise fall due shall, to the extent permitted by the relevant Sanctions, be treated in such manner as the Calculation Agent determines, acting in a commercially reasonable manner, to be appropriate in the circumstances, which may include payment into a suspense account. No interest shall accrue on any such amounts during such suspension.

On the Calculation Agent Business Day following the Sanctions Event End Date, the Calculation Agent shall determine the principal and/or interest amounts (if any) payable to the relevant Noteholders (taking into account, where relevant, the occurrence and effect of any events during the period in which the Sanctions Event was continuing) and such amounts shall be paid by the Issuer five Calculation Agent Business Days following the Sanctions Event End Date.

For the avoidance of doubt, none of the Issuer, the Trustee or the Calculation Agent shall be required to monitor, enquire or satisfy itself as to whether any Sanctions Event has occurred. Neither the Trustee nor the Calculation Agent shall have any obligation, responsibility or liability for giving or not giving any notice thereof to the Issuer or any Secured Creditor or be liable for any loss occasioned by the occurrence of a Sanctions Event. If the Issuer or the Calculation Agent effectively gives notice to the Trustee of the occurrence of a Sanctions Event, the Trustee shall be entitled to rely on such notice without further investigation.

11 Agents

(a) Appointment of Agents

The Issuing and Paying Agent, the Custodian, the Disposal Agent, the Enforcement Agent and the Calculation Agent initially appointed by the Issuer and their respective Specified Offices are listed below:

- | | | |
|------|---------------------------|---|
| (i) | Issuing and Paying Agent: | The Bank of New York Mellon, acting through its
London Branch
One Canada Square
London E14 5AL |
| (ii) | Custodian: | The Bank of New York Mellon, acting through its
London Branch
One Canada Square
London E14 5AL |

- | | | |
|-------|--------------------|--|
| (iii) | Disposal Agent: | Credit Suisse International
One Cabot Square
London E14 4QJ |
| (iv) | Enforcement Agent: | BNY Mellon Corporate Trustee Services Limited
One Canada Square
London E14 5AL |
| (vi) | Calculation Agent: | Credit Suisse International
One Cabot Square
London E14 4QJ |

Subject to the provisions of the Trust Deed and the Agency Agreement, the Issuing and Paying Agent, the Paying Agents, the Custodian, the Disposal Agent, the Enforcement Agent and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time with the approval of the Trustee (except that the approval of the Trustee shall not be required for the appointment of a replacement Disposal Agent, Enforcement Agent or Calculation Agent where Noteholders direct the Issuer to appoint such replacement pursuant to this Condition) to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Custodian, the Disposal Agent, the Enforcement Agent or the Calculation Agent and to appoint additional or other Paying Agents, Custodian(s), Disposal Agent(s), Enforcement Agent(s), Calculation Agent(s) or such other agents as may be required provided that the Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Disposal Agent, (iii) a Calculation Agent, (iv) a Custodian, (v) an Enforcement Agent where the Conditions so require (except where the Trust Deed permits the Enforcement Agent to resign without a replacement having been appointed), and (vi) a Paying Agent with a Specified Office in a European Union Member State that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000.

Notice of any such change or any change of any Specified Office shall promptly be given by the Issuer to the Noteholders in accordance with Condition 23 (*Notices*).

Following the occurrence of an Enforcement Agent Bankruptcy Event, if Noteholders representing at least 75% in outstanding aggregate nominal amount of the Notes (subject to such Noteholders providing evidence of their holdings of the Notes to the satisfaction of the Issuer and the Trustee) direct the Issuer in writing to appoint a party chosen by the Noteholders as the replacement Enforcement Agent, provided that such party chosen (i) is a financial institution of international repute, or a group company of international repute of such financial institution of international repute, and (ii) is not subject to Sanctions, then the Issuer shall act in accordance with such direction and, upon a letter of appointment being executed by, or on behalf of, the Issuer and any person appointed as such Enforcement Agent, such person shall become a party to the Trust Deed as if originally named in it and shall act as such Enforcement Agent in respect of the Notes.

(b) Calculation Agent Appointment, Termination and Replacement

If the Calculation Agent fails duly to make any calculation or determination required of it under these Conditions or the Agency Agreement or any other Transaction Document, as the case may be, or fails to comply with any other material requirement under these Conditions, the Agency

Agreement or any other Transaction Document, and in each case such failure has not been remedied within a reasonable period, or a Calculation Agent Bankruptcy Event occurs, then:

- (i) the Issuer shall use reasonable endeavours (provided it has funds available for such purpose) with the prior approval of the Trustee to appoint a leading bank or financial institution engaged in the interbank market or other appropriate market that is most closely connected with the calculation(s) and/or determination(s) to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place, provided that the terms of such appointment are substantially the same as the terms on which the outgoing Calculation Agent is appointed; or
- (ii) if the Issuer has been directed by an Extraordinary Resolution that the Issuer appoint a replacement Calculation Agent, provided that such replacement is a financial institution of international repute and the terms of such appointment are substantially the same as the terms on which the outgoing Calculation Agent is appointed and to the extent of any difference to such terms, that such terms do not adversely affect the terms on which the Trustee or any other Agent is appointed, without the prior consent of such adversely affected party and the Issuer has been indemnified and/or secured and/or pre-funded to its satisfaction for any initial or ongoing costs, charges, fees and/or expenses the Issuer may incur in connection with the appointment of a replacement Calculation Agent (whether by one or more Noteholders, a Secured Creditor or any other third party), the Issuer shall use reasonable endeavours (provided it has funds available for such purpose) to appoint the person nominated in such Extraordinary Resolution as calculation agent in respect of the Notes.

(c) Disposal Agent Appointment, Termination and Replacement

If the Disposal Agent fails duly to establish any rate, amount or value required to be determined by it under these Conditions or any Transaction Document or to take the steps required of it under these Conditions or the Agency Agreement or any other Transaction Document to Liquidate the Collateral, as the case may be, or fails to comply with any other material requirement pursuant to these Conditions, the Agency Agreement or any other Transaction Document, or a Disposal Agent Bankruptcy Event occurs, then:

- (i) the Issuer shall use reasonable endeavours (provided it has funds available for such purpose) with the prior written approval of the Trustee to appoint a leading bank or financial institution engaged in the interbank market or other appropriate market to act as such in its place, provided that the terms of such appointment are substantially the same as the terms on which the outgoing Disposal Agent is appointed; or
- (ii) if the Issuer has been directed by an Extraordinary Resolution resolving that the Issuer appoint a replacement Disposal Agent, provided that such replacement is a financial institution of international repute and the terms of such appointment are substantially the same as the terms on which the outgoing Disposal Agent is appointed and to the extent of any difference to such terms, that such terms do not adversely affect the terms on which the Trustee or any other Agent is appointed, without the prior consent of such adversely affected party and the Issuer has been indemnified and/or secured and/or pre-funded to its satisfaction for any initial or ongoing costs, charges, fees and/or expenses the Issuer may incur in connection with the appointment of a replacement Disposal Agent (whether by one or more Noteholders, a Secured Creditor or any other third party), the Issuer shall use its reasonable endeavours (provided it has funds available for such purpose) to appoint the

person nominated in such Extraordinary Resolution as Disposal Agent in respect of the Notes,

provided that where the appointment of the Disposal Agent is terminated as a result of a Bankruptcy Event in respect of the Issuer, the Disposal Agent will no longer be required to liquidate the Mortgaged Property. The Mortgaged Property will be realised in the manner determined by the competent bankruptcy officer in the context of the bankruptcy proceedings.

(d) Replacement of Custodian and/or Issuing and Paying Agent upon a Ratings Downgrade

Clause 20.6 of the Agency Agreement shall apply, as amended by the Issue Deed, and the Required Ratings will be:

- (i) to the extent that the Custodian or the Issuing and Paying Agent, as the case may be, has a short-term issuer credit rating by Standard & Poor's,
 - (A) a short-term issuer credit rating higher than or equal to "A-1" by Standard & Poor's; and
 - (B) a long term issuer credit rating higher than or equal to "A" by Standard & Poor's; and
- (ii) if the Custodian or the Issuing and Paying Agent, as the case may be, has no short-term issuer credit rating by Standard & Poor's, a long-term issuer credit rating higher than or equal to "A+" by Standard & Poor's.

12 Taxation

(a) Withholding or Deductions on Payments in respect of the Notes

Without prejudice to Condition 8(d) (*Redemption for Taxation Reasons*), all payments in respect of the Notes will be made subject to any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature that the Issuer or any Agent is required by applicable law to make. In that event, the Issuer or such Agent shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount(s) so required to be withheld or deducted. Neither the Issuer nor any Agent will be obliged to make any additional payments to Noteholders in respect of such withholding or deduction. For the purposes of this Condition 12(a), any FATCA Withholding Tax shall be deemed to be required by applicable law.

(b) FATCA Information

Each Noteholder and beneficial owner of Notes shall provide the Issuer and/or any agent acting on behalf of the Issuer with such documentation, information or waiver as may be requested by the Issuer and/or any agent acting on behalf of the Issuer in order for the Issuer or any such agent to comply with any obligations any such party may have in connection with the Notes under FATCA and under any agreement entered into by the Issuer and/or any agent acting on behalf of the Issuer pursuant to, or in respect of, FATCA. Each Noteholder and beneficial owner of the Notes further agrees and consents that in respect of FATCA the Issuer may, but is not obliged and owes no duty to any person to, comply with the terms of any intergovernmental agreement between the U.S. and another jurisdiction with respect to FATCA or any legislation implementing such an intergovernmental agreement or enter into an agreement with the U.S. Internal Revenue Service in such form as may be required to avoid the imposition of withholding under FATCA on payments made to the Issuer. In connection therewith, the Issuer may make such amendments to the Notes as are necessary to enable the Issuer to enter into, or comply with the terms of, any

such agreement or legislation. Any such amendment will be binding on the Noteholders and Couponholders.

13 Liquidation

(a) Liquidation Event

Upon the Issuer becoming aware (whether by notice thereof from the Calculation Agent or otherwise) of the occurrence of a Liquidation Event, it shall provide a Liquidation Commencement Notice to the Disposal Agent, the Custodian and the Trustee thereof as soon as is reasonably practicable, provided that if at such time there is no Disposal Agent, then if a replacement Disposal Agent is appointed pursuant to Condition 11 (*Agents*), such notice shall be provided to such replacement Disposal Agent (if any) upon its appointment as Disposal Agent.

The Disposal Agent shall not be required to monitor, enquire or satisfy itself as to whether a Liquidation Event has occurred. Prior to receipt by it of a Liquidation Commencement Notice, the Disposal Agent may assume that no such event has occurred.

Neither the Trustee nor the Enforcement Agent shall be required to monitor, enquire or satisfy itself as to whether any Liquidation Event has occurred or to calculate any Early Redemption Amount and shall have no obligation, responsibility or liability for giving or not giving any notice thereof to the Issuer, the Disposal Agent or any other Secured Creditor. The Trustee and/or the Enforcement Agent shall be entitled to rely on any notice given by the Issuer, the Disposal Agent or any other person on their behalf without further enquiry or investigation and without any liability for so relying. The Disposal Agent shall not be regarded as acting as the agent of the Trustee in any circumstances and the Trustee shall not incur any liability to any person in respect of any acts or omissions or the exercise of any discretion by the Disposal Agent. The Trustee shall have no responsibility or liability for the performance or any failure or delay in the performance by the Disposal Agent under the Agency Agreement or these Conditions or for the payment of any commissions or expenses charged by it or for any failure by the Disposal Agent to account for the proceeds of any Liquidation of Collateral in accordance with the Agency Agreement and these Conditions.

The Disposal Agent shall be entitled to rely on a Liquidation Commencement Notice without investigation of whether the relevant Liquidation Event has occurred.

Any Liquidation Commencement Notice delivered by the Issuer or the Trustee shall not be valid and the Disposal Agent shall not take any action in relation thereto if the Disposal Agent has already received (i) a valid Liquidation Commencement Notice in respect of the same or a prior Liquidation Event or (ii) a valid Enforcement Notice from the Trustee.

(b) Liquidation Process

Following receipt by it of a valid Liquidation Commencement Notice the Disposal Agent shall, and if it otherwise determines (in its sole and absolute discretion) that a Liquidation Event has occurred (and has so notified the Trustee and the Issuer in writing), may, on behalf of the Issuer, so far as is practicable in the circumstances and to the extent that the relevant Collateral is outstanding,

- (i) subject to paragraph (ii) below, effect a Liquidation of the Collateral commencing on the Liquidation Commencement Date with a view to Liquidating all the Collateral on or prior to the Early Valuation Date and provided that the Disposal Agent and the Issuer shall have no liability if the Liquidation of all Collateral has not been effected by such date. If the Collateral has not been Liquidated in full by such date, the Disposal Agent shall continue in its attempts to effect a Liquidation of the Collateral until such time (if any) as it is instructed

by the Issuer to the contrary or until it receives a valid Enforcement Notice from the Trustee; and

- (ii) for the purpose of paragraph (i) above:
 - (A) the Disposal Agent shall seek to Liquidate all of the Collateral as soon as reasonably practicable, and in any event within 30 Reference Business Days, following the relevant Early Redemption Commencement Date (the “**Target Liquidation Period**”); and
 - (B) the Disposal Agent shall request each of five Qualifying Banks to provide its all-in, firm executable bid price (a “**Quotation**”) in the Specified Currency to purchase the Collateral on a day within the Target Liquidation Period, and it shall sell the Collateral on such a date to the Qualifying Bank who provides the highest Quotation, save that where no Quotations are obtained, the Disposal Agent shall determine the value of the Collateral in its sole discretion, acting in a commercially reasonable manner.

The Disposal Agent must effect any Liquidation as soon as reasonably practicable within the available timeframe and in a commercially reasonable manner, even where a larger amount could possibly be received in respect of such Collateral if any such Liquidation were to be delayed. Subject to such requirement, the Disposal Agent shall be entitled to effect any Liquidation by way of one or multiple transactions on a single or multiple day(s). In accordance with the terms of the Trust Deed and Condition 5(e) (*Disposal Agent’s Right Following Liquidation Event*), following the occurrence of a Liquidation Event and effective delivery of a valid Liquidation Commencement Notice, the Security shall be released without further action on the part of the Trustee to the extent necessary for the Disposal Agent to effect the Liquidation of the Collateral. Nothing in this Condition 13(b) or Condition 5(e) (*Disposal Agent’s Right Following Liquidation Event*) will operate to release the charges and other security interests over the proceeds of the Liquidation of the Collateral. The Disposal Agent shall not be liable to the Issuer, the Trustee, the Noteholders, the Couponholders or any other person merely because a larger amount could have been received had any such Liquidation been delayed or had the Disposal Agent selected a different method of Liquidating any such Collateral.

In determining whether or not to take any action as a result of its determination that a Liquidation Event has occurred, the Disposal Agent (i) shall have complete discretion, (ii) shall have no duty or obligation to the Issuer, any Noteholder or any other person to take any such action or make any such determination and (iii) shall not be liable for any such determination or decision or the timing thereof.

Notwithstanding anything to the contrary in these Conditions, the Disposal Agent shall be subject to the transfer restrictions applicable to the Collateral in relation to any Liquidation of the Collateral under this Condition 13, including, but not limited to, the restrictions set out in Collateral Condition 9 (*Transfer and sub-participation*) and Collateral Condition 10 (*Grants of security*). The Disposal Agent shall not, and shall not be required to, Liquidate the Collateral where such Liquidation would violate any such transfer restrictions.

(c) Proceeds of Liquidation

The Disposal Agent shall not be liable:

- (i) to account for anything except actual proceeds of the Collateral received by it (after deduction of the amounts (if any) described in Condition 13(d) (*Costs and Expenses*)) and which shall, upon receipt, automatically become subject to the Security created by the Trust Deed; or

- (ii) for any taxes, costs, charges, losses, damages, liabilities, fees, commissions or expenses arising from or connected with any Liquidation or from any act or omission in relation to the Collateral or otherwise unless such taxes, costs, charges, losses, damages, liabilities or expenses shall be caused by its own negligence, fraud or wilful default.

In addition, the Disposal Agent shall not be obliged to pay to the Issuer, any Transaction Party, any Noteholder or any Couponholder, interest on any proceeds from any Liquidation held by it at any time.

(d) Costs and Expenses

The Issuer acknowledges that in effecting the Liquidation, Liquidation Expenses may be incurred. The Issuer agrees that any such Liquidation Expenses shall be borne by the Issuer and that the Disposal Agent shall only be required to remit the proceeds of such Liquidation net of such Liquidation Expenses. Where the Disposal Agent makes such net remittance to the Issuer but has itself received the relevant payment on a gross basis, the Disposal Agent agrees to apply the relevant amount retained by it in payment of such Liquidation Expense.

“Liquidation Expenses” means (i) any taxes and (ii) any reasonable transaction fees or commissions applicable to such Liquidation, including any brokerage or exchange commissions, provided that such transaction fees or commissions are limited to and no higher than those that would necessarily and routinely be charged by the third party market participant to whom such fees or commissions are payable for a sale transaction of that type to third parties on an arm’s length basis. Save for such reasonable transaction fees or commissions, Liquidation Expenses shall not include any fee charged by, or any other amounts owed to, the Disposal Agent for the performance of its duties specified in, or incidental to, these Conditions (the **“Disposal Agent Fees”**). Such Disposal Agent Fees shall be paid to the Disposal Agent in accordance with Condition 16 (*Application of Available Proceeds or Managers’ Available Proceeds*).

In addition, the Disposal Agent shall not be obliged to pay to the Issuer, any Transaction Party, any Noteholder or any Couponholder, interest on any proceeds from any Liquidation held by it at any time.

(e) Good Faith of Disposal Agent

In effecting any Liquidation, the Disposal Agent shall act in good faith and, subject as provided above, in respect of any sale of the Collateral, shall agree a price that it reasonably believes to be representative of or better than the price available in the market for the sale of such Collateral in the appropriate size taking into account the total amount of Collateral to be sold.

(f) Disposal Agent to Use All Reasonable Care

The Disposal Agent shall use all reasonable care in the performance of its duties but shall not be responsible for any loss or damage suffered by any party as a result thereof save that the Disposal Agent’s liability to the Issuer shall not be so limited where the loss or damage results from negligence, wilful default or fraud of the Disposal Agent.

(g) No Relationship of Agency or Trust

The Disposal Agent shall not have any obligations towards or relationship of agency or trust with any Noteholder, Couponholder or other Transaction Party.

(h) Consultations on Legal Matters

The Disposal Agent may consult on any legal matter any reputable legal adviser of international standing selected by it, who may be an employee of the Disposal Agent or adviser to the Issuer,

and it shall not be liable in respect of anything done or omitted to be done relating to that matter in good faith in accordance with that adviser's opinion.

(i) Reliance on Documents

The Disposal Agent shall not be liable in respect of anything done or suffered by it in reliance on a document it reasonably believed to be genuine and to have been signed by the proper parties or on information to which it should properly have regard and which it reasonably believed to be genuine and to have been originated by the proper parties.

(j) Entry into Contracts and Other Transactions

The Disposal Agent may enter into any contracts or any other transactions or arrangements with any of the Issuer, any other Transaction Party, any Noteholder, any Couponholder, the Collateral Obligor or the Collateral Guarantor or any Affiliate of any of them (whether in relation to the Notes, the Collateral, the Security, an Obligation or any other transaction or obligation whatsoever) and may hold or deal in or be a party to the assets, obligations or agreements of which the relevant Collateral forms a part and other assets, obligations or agreements of the Collateral Obligor or the Collateral Guarantor in respect of the Collateral. The Disposal Agent shall not be required to disclose any such contract, transaction or arrangement to any Noteholder, any Couponholder or other Transaction Party and shall be in no way accountable to the Issuer or (save as otherwise provided in the Agency Agreement and these Conditions) to any Noteholder, any Couponholder or any other Transaction Party for any profits or benefits arising from any such contract(s), transaction(s) or arrangement(s) and shall resolve any conflict of interest arising out of or in relation thereto in such manner as it deems appropriate, in its sole and absolute discretion.

(k) Illegality

The Disposal Agent shall not be liable to effect a Liquidation of any of the Collateral if it determines, in its sole and absolute discretion, that any such Liquidation of some or all of the Collateral in accordance with Condition 13 (*Liquidation*) would or might require or result in a violation of any applicable law or regulation of the jurisdiction in which the Issuer is domiciled or any other relevant jurisdiction, including any insolvency prohibition or moratorium on the disposal of assets, or that for any other reason it is not possible for it to dispose of the Collateral (even at zero), and the Disposal Agent notifies the Issuer and the Trustee of the same.

(l) Sales to Affiliates

In effecting any Liquidation, the Disposal Agent may sell any Collateral to Affiliates of itself provided that (i) such Affiliates are Qualifying Banks and (ii) the Disposal Agent sells at a price that it reasonably believes to be a fair market price.

(m) Notification of Enforcement Event

Upon the Trustee effectively giving a valid Enforcement Notice to the Disposal Agent following the occurrence of an Enforcement Event, the Disposal Agent shall cease to effect any further Liquidation of any Collateral and shall take no further action to Liquidate any Collateral, save that any transaction entered into in connection with the Liquidation on or prior to the effective date of any such Enforcement Notice shall be settled and the Disposal Agent shall take any steps and actions necessary to settle such transaction and/or which is incidental thereto.

(n) Transfer of Collateral to Custodian

In effecting any Liquidation, the Disposal Agent may sell any Collateral to itself (subject to Condition 13(m) (*Notification of Enforcement Event*)) or to any of its Affiliates, provided that the price for such Collateral is paid to the Custodian or to the order of the Issuer. The Disposal Agent

shall not have the right to transfer the Collateral to itself or to any of its Affiliates other than in connection with a sale hereof to itself or one of its Affiliates, as applicable, and provided that such sale is executed on a delivery versus payment basis.

Notwithstanding the immediately preceding paragraph, if the Disposal Agent has reasonable grounds to believe that a Bankruptcy Event has occurred with respect to the Custodian and it has not received contrary orders from the Issuer it shall make arrangements for any such price for the Collateral to instead be paid to the Issuing and Paying Agent, provided that, if it also has reasonable grounds to believe that a Bankruptcy Event has also occurred with respect to the Issuing and Paying Agent, it shall retain and hold such Liquidation Proceeds to the order of the Issuer and subject to the Security created by the Trust Deed.

14 Enforcement of Security

(a) Enforcement Notice

At any time after the Trustee becomes aware of the occurrence of an Enforcement Event but prior to taking any steps to enforce the Security, the Trustee shall notify the Issuer, the Custodian and any Disposal Agent appointed at that time (such notice being an “**Enforcement Notice**”) that (i) the Trustee intends to enforce the Security constituted by the Trust Deed and (ii) the Disposal Agent is to cease to effect any further Liquidation of the Collateral (if such Liquidation is taking place) save that any transaction entered into in connection with the Liquidation on or prior to the effective date of such Enforcement Notice shall be settled and the Disposal Agent shall take any steps and actions necessary to settle such transaction and/or that are incidental thereto.

(b) Enforcement of Security

The Security over the Mortgaged Property created by or pursuant to the Trust Deed as described in Condition 5(a) (*Security*) shall become enforceable upon the occurrence of one or more of the following, each an “**Enforcement Event**”:

- (i) an Event of Default;
- (ii) a Collateral Event;
- (iii) a Tax Event, but only in the event that the Issuer has failed, in the reasonable determination of the Trustee (acting on the instruction of an Extraordinary Resolution), to take reasonable measures to arrange a substitution or change in residence in accordance with the terms of Condition 8(d) (*Redemption for Taxation Reasons*) and no such substitution or change in residence is effected;
- (iv) an Illegality Event, but only in the event that the Issuer has failed, in the reasonable determination of the Trustee (acting on the instruction of an Extraordinary Resolution), to take reasonable measures to arrange a substitution or change in legal characteristics in accordance with the terms of Condition 8(e) (*Redemption Following an Illegality Event*) and no such substitution or change in legal characteristics is effected;
- (v) following the occurrence of a Liquidation Event, the Collateral has not been Liquidated in full by the Early Valuation Date; or
- (vi) default is made in the payment of any Collateral Call Redemption Amount, interest payable on a Collateral Call Redemption Date or Early Redemption Amount,

and, for the avoidance of doubt, the Manager’s Security created by or pursuant to the Trust Deed as described in Condition 5(b) (*Managers’ Security*) shall not become enforceable solely as a result of such Enforcement Event.

(c) Realisation of Security

At any time after the Trustee becomes aware of the occurrence of an Enforcement Event, it may, and if directed by an Extraordinary Resolution shall, (provided in each case that the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction and provided that the Trustee has effectively delivered a valid Enforcement Notice to the Issuer, the Custodian and the Disposal Agent) enforce all the Security constituted by the Trust Deed. To do this it may, at its discretion, realise the Collateral subject to the provisions of Condition 17 (*Enforcement of Rights or Security*), and/or enforce the Agency Agreement in accordance with its or their terms without any liability as to the consequence of such action and without having regard to the effect of such action on individual Noteholders.

Any realisation and/or enforcement of the Security over the Collateral or exercise of any right in respect of the Collateral shall be subject to the transfer restrictions in respect of the Collateral set forth in the Collateral Conditions, including, but not limited to, Collateral Condition 9 (*Transfer and sub-participation*) and Collateral Condition 10 (*Grants of security*).

Without prejudice to Condition 17 (*Enforcement of Rights or Security*), in no circumstances shall the Trustee be permitted when acting in its capacity as trustee for the Noteholders and the other Secured Creditors, nor shall the Noteholders or the other Secured Creditors (when acting in their respective capacities) be permitted, to take any action against the Collateral Obligor or the Collateral Guarantor or enforce any claim that the Issuer may have against the Collateral Obligor or the Collateral Guarantor in respect of the Collateral or the Purchase Agreement or otherwise whether before, upon, or after any Security created by or pursuant to the Trust Deed becoming enforceable.

(d) Enforcement Agent to realise Security

Notwithstanding Condition 14(c) (*Realisation of Security*) or Condition 13 (*Liquidation*), at any time after the Security has become enforceable in accordance with Condition 14(b) (*Enforcement of Security*) and subject to Clause 5.7 (*Enforcement and Realisation of Security*) of the Master Trust Terms (such Clause as amended by the Issue Deed), the Enforcement Agent shall, if the Issuer is directed to do so by an Extraordinary Resolution (subject to the Enforcement Agent being indemnified and/or secured and/or prefunded to its satisfaction): (i) exercise on behalf of the Issuer as the Issuer's agent any rights of the Issuer in the Issuer's capacity as holder of the Collateral and/or the Issuer's rights, title and interest under the Purchase Agreement to acquire the Collateral and/or (ii) instruct the Disposal Agent, as agent of the Issuer, to arrange for any relevant disposal, transfer or receipt of securities to be delivered to or by the Issuer in connection therewith, in accordance with the terms of the Agency Agreement and, in each case, the Enforcement Agent will act only in accordance with any Extraordinary Resolution. The Enforcement Agent shall have no obligation to supervise the Disposal Agent and shall not be responsible for any loss, liability, cost, claim, action, demand or expense incurred by any person by reason of any action or omission, determination, default, misconduct, negligence or fraud of the Disposal Agent in the performance of its duties under the Agency Agreement.

Any realisation and/or enforcement of the Security over the Collateral or exercise of any right in respect of the Collateral shall be subject to the restrictions set forth in the Collateral Conditions, including, but not limited to, Collateral Condition 9 (*Transfer and sub-participation*) and Collateral Condition 10 (*Grants of security*).

Notwithstanding Condition 14(c) (*Realisation of Security*), in acting as the Issuer's agent for the purposes of this Condition, the Enforcement Agent shall be permitted to take all such action as would have been permitted to be taken by the Trustee upon the Security becoming enforceable if the last sentence of Condition 14(c) (*Realisation of Security*) did not apply.

Neither the Enforcement Agent nor the Disposal Agent is an agent of the Trustee.

All actions and determinations of the Disposal Agent in the performance of its duties shall be made by the Disposal Agent (and not, for the avoidance of doubt, by the Trustee or the Enforcement Agent) and in good faith and neither the Trustee nor the Enforcement Agent shall incur any liability therefor.

The Enforcement Agent is the agent of the Issuer and the Trustee shall have no responsibility or liability to any person for the actions of the Enforcement Agent or for monitoring or supervising its performance or for directing it in relation to enforcement.

Any proceeds realised by the Enforcement Agent pursuant to this Condition 14(d) shall, upon receipt thereof, be paid to the Trustee who shall hold such moneys on trust with the Custodian and apply such moneys in accordance with Condition 16 (*Application of Available Proceeds or Managers' Available Proceeds*).

15 Enforcement of Managers' Security

(a) Enforcement of Managers' Security

The Managers' Security over the Managers' Secured Property created by or pursuant to the Trust Deed as described in Condition 5(b) (*Managers' Security*) shall become enforceable upon failure by the Issuer to pay on demand any Manager's Claim and, for the avoidance of doubt, the Security created by or pursuant to the Trust Deed as described in Condition 5(a) (*Security*) shall not become enforceable in such circumstances.

(b) Enforcement Agent to realise Managers' Security

At any time after the Managers' Security has become enforceable in accordance with Condition 15(a) (*Enforcement of Managers' Security*) and subject to Clause 5.7 (*Enforcement and Realisation of Security*) of the Master Trust Terms (such Clause as amended by the Issue Deed), the Enforcement Agent shall in accordance with the Trust Deed (subject to it being indemnified and/or secured and/or prefunded to its satisfaction) exercise on behalf of the Issuer as the Issuer's agent any rights, title and interest of the Issuer under the Purchase Agreement (other than the Issuer's rights, title and interest under the Purchase Agreement to acquire the Collateral). The provisions of Clause 5.7 (*Enforcement and Realisation of Security*) of the Master Trust Terms (such Clause as amended by the Issue Deed) shall apply in relation to any enforcement of the Managers' Security and the Managers' Trustee shall not be permitted to take any enforcement action against the Collateral Obligor or the Collateral Guarantor in accordance therewith.

In acting as the Issuer's agent for the purposes of this Condition, the Enforcement Agent shall be permitted to take all such steps, actions or proceedings as would have been permitted to be taken by the Managers' Trustee upon the Managers' Security becoming enforceable provided that the Enforcement Agent shall be permitted to take enforcement action against the Collateral Obligor or the Collateral Guarantor.

The Enforcement Agent is not the agent of the Managers' Trustee.

The Enforcement Agent is the agent of the Issuer and the Managers' Trustee shall have no responsibility or liability to any person for the actions of the Enforcement Agent or for monitoring or supervising its performance or for directing it in relation to enforcement.

Any proceeds realised by the Enforcement Agent pursuant to this Condition shall, upon receipt thereof, be paid to the Managers' Trustee who shall hold such moneys on trust and apply such moneys in accordance with Condition 16(c) (*Application of Managers' Available Proceeds of Enforcement of Managers' Security*).

16 Application of Available Proceeds or Managers' Available Proceeds

(a) Application of Available Proceeds of Liquidation

The Issuer shall, on the Issuer Application Date, apply the Available Proceeds as they stand on such date as follows:

- (i) first, in payment or satisfaction of any taxes owing by the Issuer;
- (ii) secondly, in payment or satisfaction of any fees, costs, charges, expenses and liabilities of the Trustee under the Trust Deed and the other Transaction Documents (including any taxes required to be paid, legal fees and the Trustee's remuneration);
- (iii) thirdly, in payment or satisfaction of any fees, costs, charges, expenses and liabilities of the Enforcement Agent in acting as enforcement agent of the Issuer in respect of the Security for the Notes under the terms of the Trust Deed (including any taxes required to be paid, legal fees and the Enforcement Agent's remuneration);
- (iv) fourthly, *pari passu*, in payment of (I) any amounts owing to the Custodian for reimbursement in respect of payments properly made by it in accordance with the terms of the Agency Agreement relating to sums receivable on or in respect of the relevant Mortgaged Property, (II) any amounts owing to the Issuing and Paying Agent for reimbursement in respect of payments properly made by it in accordance with the terms of the Agency Agreement to any person in discharge of a Secured Payment Obligation and (III) any fees, costs, charges, expenses and liabilities then due and payable to the Agents under the Agency Agreement;
- (v) fifthly, in payment or satisfaction of any Disposal Agent Fees;
- (vi) sixthly, *pari passu* in payment of any Early Redemption Amount then due and payable and any interest accrued thereon (which, for the avoidance of doubt, shall include Default Interest) to the holders of Notes; and
- (vii) seventhly, in payment rateably of the Residual Amount to the holders of Notes,

save that no such application shall be made at any time following an Enforcement Notice having been effectively delivered by the Trustee following the occurrence of an Enforcement Event.

Any Secured Creditor that has a claim in respect of more than one Secured Payment Obligation may rank differently in respect of each Secured Payment Obligation.

If, following the Issuer Application Date, the Issuer receives any sum from the Mortgaged Property, the Issuer shall send a notice to the Trustee, the Issuing and Paying Agent and the Disposal Agent of the same as soon as is reasonably practicable upon receiving any such sum.

(b) Application of Available Proceeds of Enforcement of Security

Subject to and in accordance with the terms of the Trust Deed, with effect from the date on which any valid Enforcement Notice is effectively delivered by the Trustee following the occurrence of an Enforcement Event, the Trustee will hold the Available Proceeds received by it under the Trust Deed on trust to apply them as they stand on each Trustee Application Date as follows:

- (i) first, in payment or satisfaction of any taxes owing by the Issuer;
- (ii) secondly, in payment or satisfaction of any fees, costs, charges, expenses and liabilities of the Trustee or any receiver in relation to the Notes in preparing and executing the trusts and carrying out its functions under the Trust Deed and the other Transaction Documents

(including any taxes required to be paid, legal fees, the cost of realising any Security and the Trustee's remuneration);

- (iii) thirdly, in payment or satisfaction of any fees, costs, charges, expenses and liabilities of the Enforcement Agent in acting as enforcement agent of the Issuer in respect of the Security for the Notes under the terms of the Trust Deed (including any taxes required to be paid, legal fees and the Enforcement Agent's remuneration);
- (iv) fourthly, *pari passu*, in payment of (I) any amounts owing to the Custodian for reimbursement in respect of payments properly made by it in accordance with the terms of the Agency Agreement relating to sums receivable on or in respect of the relevant Collateral, (II) any amounts owing to the Issuing and Paying Agent for reimbursement in respect of payments properly made by it in accordance with the terms of the Agency Agreement to any person in discharge of a Secured Payment Obligation and (III) any fees, costs, charges, expenses and liabilities then due and payable to the Agents under the Agency Agreement;
- (v) fifthly, in payment or satisfaction of any Disposal Agent Fees;
- (vi) sixthly, *pari passu* in payment of any Early Redemption Amount then due and payable and any interest accrued thereon (which, for the avoidance of doubt, shall include Default Interest) to the holders of Notes; and
- (vii) seventhly, in payment rateably of the Residual Amount to the holders of Notes.

Any Secured Creditor that has a claim in respect of more than one Secured Payment Obligation may rank differently in respect of each Secured Payment Obligation.

If the amount of moneys available to the Trustee for payment in respect of the Notes under this Condition 15(b) at any time following delivery by the Trustee of an Enforcement Notice in accordance with these Conditions, other than where the Mortgaged Property has been exhausted, amount to less than 10 per cent. of the nominal amount of the Notes then outstanding, the Trustee shall not be obliged to make any payments under this Condition 15(b) and shall, place such amounts on deposit as provided in paragraph (d) below and shall retain such amounts and accumulate the resulting income until the amounts and the accumulations, together with any other funds for the time being under the Trustee's control and available for such payment, amount to at least 10 per cent. of the nominal amount of the Notes then outstanding and then such amounts and accumulations (after deduction of, or provision for, any applicable taxes and negative interest) shall be applied as specified in this Condition 15(b).

(c) Application of Managers' Available Proceeds of Enforcement of Managers' Security

Subject to and in accordance with the terms of the Trust Deed, the Managers' Trustee (or any receiver appointed by it) will hold the Managers' Available Proceeds received by it under the Trust Deed on trust to apply them as they stand on each Managers' Trustee Application Date as follows:

- (i) first, in payment or satisfaction of any taxes owing by the Issuer;
- (ii) secondly, in payment or satisfaction of any fees, costs, charges, expenses and liabilities of the Managers' Trustee or any receiver in preparing and executing the trusts and carrying out its functions under the Trust Deed and the other Transaction Documents (including any taxes required to be paid, legal fees, the cost of realising any Managers' Security and the Managers' Trustee's remuneration);
- (iii) thirdly, in payment or satisfaction of any fees, costs, charges, expenses and liabilities of the Enforcement Agent in acting as enforcement agent of the Issuer in respect of the

Managers' Security under the terms of the Trust Deed (including any taxes required to be paid, legal fees and the Enforcement Agent's remuneration);

- (iv) fourthly, in meeting any Manager's Claim; and
- (v) fifthly, in payment of the Residual Amount to the Issuer.

(d) Deposits

Moneys held by the Trustee shall be deposited in its name in a non-interest bearing account at such bank or other financial institution as the Trustee may, acting in good faith and in a commercially reasonable manner and in its absolute discretion, think fit. The parties acknowledge and agree that notwithstanding that such account is intended to be a non-interest bearing account in the event that the interest rate in respect of certain currencies is a negative value, the application thereof would result in amounts being debited from funds held by such bank or financial institution ("**negative interest**").

(e) Insufficient Proceeds

- (i) Insufficient Proceeds from the Mortgaged Property

If the moneys received following Liquidation of the Mortgaged Property or the enforcement of Security (as applicable) are not enough to pay in full all amounts to persons whose claims rank rateably, the Disposal Agent or the Trustee (or any receiver appointed by the Trustee) (as applicable) shall apply the moneys *pro rata* on the basis of the amount due to each party entitled to such payment.

- (ii) Insufficient Proceeds from the Managers' Security

If the moneys received following the enforcement of the Managers' Security are not enough to pay in full all amounts to persons whose claims rank rateably, the Managers' Trustee (or any receiver appointed by the Managers' Trustee) shall apply the moneys *pro rata* on the basis of the amount due to each party entitled to such payment.

(f) Foreign Exchange Conversion

To the extent that any proceeds payable to any Secured Creditor pursuant to this Condition 15 are not in the Specified Currency, then such proceeds shall be converted at such rate or rates, in accordance with such method and as at such date as may reasonably be specified by the Disposal Agent (prior to the Trustee enforcing the Security pursuant to the Trust Deed and as described in Condition 14 (*Enforcement of Security*)) or the Trustee (following the Trustee enforcing the Security pursuant to the Trust Deed and as described in Condition 14 (*Enforcement of Security*)), but having regard to current rates of exchange, if available. Any rate, method and date so specified shall be binding on the Issuer, the Noteholders, the Couponholders and the Custodian.

17 Enforcement of Rights or Security

If any Security becomes enforceable, or any other right arises to pursue any remedies against the Issuer for a breach by the Issuer of the terms of the Trust Deed or the Notes, only the Trustee or the Enforcement Agent (acting as agent of the Issuer in accordance with the Issue Deed) may at its discretion and shall, on receipt (by the Issuer, in the case of the Enforcement Agent) of any Extraordinary Resolution, enforce the Security constituted by the Trust Deed, provided that it has been indemnified and/or secured and/or prefunded to its satisfaction. The Trustee or the Enforcement Agent shall (subject to the relevant direction being in form and content satisfactory to the Trustee or the Enforcement Agent) be obliged to act on the first Extraordinary Resolution received pursuant to this Condition 17.

To do this, the Trustee or any receiver appointed as provided for in the Trust Deed (subject to the following paragraph) or the Enforcement Agent may at its discretion take possession of and/or realise the Collateral and/or take action against any person liable in respect of any Collateral to enforce repayment of such Collateral, enforce and/or terminate the Agency Agreement in accordance with its terms, but without any liability as to the consequence of such action and without having regard to the effect of such action on individual Noteholders. None of the Trustee, any receiver or the Enforcement Agent shall be required to take any action in relation to the enforcement of the Security without first being indemnified and/or secured and/or prefunded to its satisfaction.

Notwithstanding the foregoing, in no circumstances shall the Trustee be permitted when acting in its capacity as trustee for the Noteholders and the other Secured Creditors, nor shall the Noteholders and the other Secured Creditors (when acting in their respective capacities) be permitted, to take any action against the Collateral Obligor or the Collateral Guarantor or to enforce any claim that the Issuer may have against the Collateral Obligor or the Collateral Guarantor in respect of the Collateral or the Purchase Agreement or otherwise whether before, upon, or after any Security becoming enforceable. If the Trustee, having become bound to proceed in accordance with the terms of the Trust Deed, but only to the extent that the Trustee is permitted to take such action pursuant to Condition 14(c) (Realisation of Security), fails or neglects to do so, then the Noteholders may exercise their usual rights under Clause 14.2 of the Master Trust Terms (such Clause as amended by the Issue Deed) to remove the Trustee, but shall in no circumstances be entitled to proceed directly against the Issuer, the Collateral Obligor or the Collateral Guarantor.

If the Enforcement Agent, having become bound to proceed in accordance with the terms of the Trust Deed, fails or neglects to do so, then the Noteholders may exercise their rights under paragraph 1.4.5(xxx) of Schedule 1 (*Amendments*) to the Issue Deed to remove the Enforcement Agent, but shall in no circumstances be entitled to proceed directly against the Issuer, the Collateral Obligor or the Collateral Guarantor.

18 Limited Recourse and Non-Petition

(a) General Limited Recourse

(i) Limited Recourse to the Mortgaged Property

The obligations of the Issuer to pay any amounts due and payable in respect of the Notes and to the other Secured Creditors at any time in respect of the Notes shall be limited to the proceeds available out of the Mortgaged Property in respect of such Notes at such time to make such payments in accordance with Condition 16 (*Application of Available Proceeds or Managers' Available Proceeds*). Notwithstanding anything to the contrary contained herein, or in any Transaction Document, the Secured Creditors, including the Noteholders and the Couponholders, shall have recourse only to the Mortgaged Property, subject always to the Security, and not to any other assets of the Issuer. If, after (i) the Mortgaged Property is exhausted (whether following Liquidation or enforcement of the Security or otherwise) and (ii) application of the Available Proceeds relating to the Notes, as provided in Condition 16 (*Application of Available Proceeds or Managers' Available Proceeds*), any outstanding claim, debt or liability against the Issuer in relation to the Notes or the Transaction Documents relating to the Notes remains unpaid, then such outstanding claim, debt or liability, as the case may be, shall be extinguished and no debt shall be owed by the Issuer in respect thereof. Following extinguishment in accordance with this Condition 18(a)(i), none of the Secured Creditors, including the Noteholders and the Couponholders, or any other person acting on behalf of any of them, shall be entitled to take any further steps against the Issuer or any of its officers, shareholders, members, incorporators, corporate service providers or directors to recover any further sum in respect of the extinguished

claim and no debt shall be owed to any such persons by the Issuer or any of its officers, shareholders, members, incorporators, corporate service providers or directors in respect of such further sum in respect of the Notes.

(ii) Limited Recourse to the proceeds of the Managers' Secured Property

The obligations of the Issuer to pay any amounts due and payable in respect of any Manager's Claim, or to any other Managers' Secured Party, at any time shall be limited to the proceeds available out of the Managers' Secured Property at such time to make such payments in accordance with Condition 16 (*Application of Available Proceeds or Managers' Available Proceeds*). Notwithstanding anything to the contrary contained herein, or in any Transaction Document, the Managers' Trustee and the other Managers' Secured Parties shall have recourse only to the proceeds of the Managers' Secured Property, subject always to the Managers' Security, and not to any other assets of the Issuer. If, after (i) the Managers' Secured Property is exhausted and (ii) application of the Managers' Available Proceeds relating to the Managers' Security, as provided in Condition 16 (*Application of Available Proceeds or Managers' Available Proceeds*), any outstanding claim, debt or liability against the Issuer in relation to the Managers' Security remains unpaid, then such outstanding claim, debt or liability, as the case may be, shall be extinguished and no debt shall be owed by the Issuer in respect thereof. Following extinguishment in accordance with this Condition 18(a)(ii), none of the Managers' Trustee, the other Managers' Secured Parties or any other person acting on behalf of any of them shall be entitled to take any further steps against the Issuer or any of its officers, shareholders, members, incorporators, corporate service providers or directors to recover any further sum in respect of the extinguished claim and no debt shall be owed to any such persons by the Issuer or any of its officers, shareholders, members, incorporators, corporate service providers or directors in respect of such further sum.

(b) Non-Petition

None of the Transaction Parties (save for the Trustee or the Managers' Trustee who may lodge a claim in liquidation of the Issuer which is initiated by another party or take proceedings to obtain a declaration or judgment as to the obligations of the Issuer), the Noteholders, the Couponholders or any person acting on behalf of any of them may, at any time, institute, or join with any other person in bringing, instituting or joining, insolvency, administration, bankruptcy, winding-up, examinership or any other similar proceedings (whether court-based or otherwise) in relation to the Issuer or any of its officers, shareholders, members, incorporators, corporate service providers or directors or any of its assets, and none of them shall have any claim arising with respect to the assets and/or property attributable to any other notes issued by the Issuer (save for any further notes which form a single series with the Notes) or Mortgaged Property in respect of a different series or Obligations issued or entered into by the Issuer or any other assets of the Issuer (other than the Mortgaged Property in respect of the Notes or, in the case of the Managers' Secured Parties, the Managers' Secured Property).

(c) Corporate Obligation

In addition, none of the Transaction Parties, the Noteholders, the Couponholders or any person acting on behalf of any of them shall have any recourse against any director, shareholder, or officer of the Issuer in respect of any obligations, covenant or agreement entered into or made by the Issuer pursuant to the terms of these Conditions, the Trust Deed or any other Transaction Documents.

(d) Survival

The provisions of this Condition 18 shall survive notwithstanding any redemption of the Notes or the termination or expiration of any Transaction Document.

19 Prescription

Claims against the Issuer for payment in respect of the Notes and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

20 Meetings of Noteholders, Modification, Waiver and Substitution

(a) Meetings of Noteholders

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of any of these Conditions or any provisions of the Trust Deed and give authority, direction or sanction required by, *inter alia*, Condition 5 (*Security*) or Condition 8 (*Redemption and Purchase*) to be given by Extraordinary Resolution. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding of the Relevant Noteholder Proportion. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding of the Relevant Noteholder Proportion, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) to vary any method of, or basis for, calculating the Early Redemption Amount, (v) to vary the currency or currencies of payment or the currency or currencies of the denomination of the Notes, (vi) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, (vii) to modify the provisions of the Trust Deed concerning this exception, (viii) to modify Condition 5 (*Security*) or to hold an Extraordinary Resolution for purposes of Condition 5(b) (*Issuer's Rights as Beneficial Owner of Collateral*), (ix) to modify Conditions 16 (*Application of Available Proceeds or Managers' Available Proceeds*) and 18 (*Limited Recourse and Non-Petition*) or (x) to modify Conditions 8(a) (*No Fixed Maturity*) to 8(f) (*Redemption Following the Occurrence of an Event of Default*), in which case the necessary quorum ("**Special Quorum**") shall be two or more persons holding or representing not less than 75 per cent. or at any adjourned meeting not less than 25 per cent. in nominal amount of the Notes for the time being outstanding of the Relevant Noteholder Proportion in accordance with the Trust Deed. In circumstances in which there is only one Noteholder in respect of all the Notes of the Relevant Noteholder Proportion outstanding, the quorum for all purposes shall be one. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at or participated in the meeting at which such resolution was passed) and on the holders of Coupons and Talons.

The Trust Deed provides that (i) a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding of the Relevant Noteholder

Proportion (a “**Written Resolution**”) or (ii) where the Notes are held by or on behalf of a clearing system or clearing systems, approval of a resolution proposed by the Issuer or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in aggregate nominal amount of the Notes then outstanding of the Relevant Noteholder Proportion (“**Electronic Consent**”) shall, in each case for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which the Special Quorum was satisfied) be as valid and effective as an Extraordinary Resolution of such Relevant Noteholder Proportion passed at a meeting of Noteholders duly convened and held. Such Written Resolution may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders. Such Written Resolution and/or Electronic Consent will be binding on all Noteholders and holders of Coupons and Talons whether or not they participated in such Written Resolution or Electronic Consent.

For the purposes of this Condition 20(a):

- (i) references to a meeting are to a meeting of holders of the Notes; and
- (ii) references to “**Notes**” and “**Noteholders**” are only to the Notes in respect of which a meeting has been, or is to be, called, and to the holders of such Notes, respectively..

(b) Modification of these Conditions and/or any Transaction Document

- (i) Subject to sub-paragraph (ii) below, the Trustee shall agree, without the consent of the Noteholders or the Couponholders, to (a) any modification of any of these Conditions or any of the provisions of the Transaction Documents that is in its opinion of a formal, minor or technical nature or is made to correct a manifest error or (b) any modification of any of the provisions of the Trust Deed, or any other documentation in connection with the issue of the Notes, if the Collateral Obligor has exercised its rights pursuant to Collateral Condition 14 (*Substitution and variation; Substitution of the Issuer*) to substitute all (but not some only) of the Collateral or to vary the terms of the Collateral, and may agree, without the consent of the Noteholders, to any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of these Conditions or any of the provisions of the Transaction Documents that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. To the extent that any Agent is appointed or replaced pursuant to Condition 11(b)(ii) (*Calculation Agent Appointment, Termination and Replacement*) and/or Condition 11(c)(ii) (*Disposal Agent Appointment, Termination and Replacement*), the Issuer may make such amendments to these Conditions and/or the Transaction Documents as it determines necessary to reflect such appointment or replacement to which the Trustee shall agree, and the Trustee shall sign such documents as may be required to give effect to such amendments. Any such modification, authorisation or waiver as is made or given under this Condition 20(b) shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as is practicable. The Issuer shall notify Standard & Poor’s of any modification made by it in accordance with this Condition and the Trust Deed.
- (ii) Notwithstanding sub-paragraph (i) above, (a) any amendment to the Managers’ Secured Property requires the consent of all the Managers’ Secured Parties, and (b) the Managers’ Trustee and the Enforcement Agent each agree, upon a direction from the Managers, to consent to any amendment to the Managers’ Secured Property, unless such amendment, in the opinion of the Managers’ Trustee or the Enforcement Agent (in its absolute

discretion), would impose any onerous obligations on either the Managers' Trustee or the Enforcement Agent or expose the Managers' Trustee or the Enforcement Agent to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Managers' Trustee or the Enforcement Agent in these Conditions or the Issue Deed in any way.

(c) Substitution

The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, without the consent of the Noteholders or the Couponholders, to the substitution of any other company in place of the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed and the Notes, the Coupons and the Talons, as applicable. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders or the Couponholders, to a change of the law governing the Notes, the Coupons, the Talons and/or the Trust Deed and/or any other Transaction Document provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.

(d) Entitlement of the Trustee

In connection with the exercise of its functions (including but not limited to those referred to in this Condition 20) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or otherwise to the tax consequences thereof and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

21 Replacement of Notes, Coupons and Talons

If a Note, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the Specified Office of the Issuing and Paying Agent or such other Paying Agent, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders in accordance with Condition 23 (*Notices*), in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Coupon or Talon is subsequently presented for payment, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Note, Coupon or Talon) and otherwise as the Issuer may require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

22 Further Issues

The Issuer may from time to time without the consent of the Noteholders or the Couponholders but subject to Condition 6 (*Restrictions*) create and issue further notes or other Obligations either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the Notes or upon such terms as the Issuer may determine at the time of their issue. Any such further notes shall only form a single series with the Notes (unless otherwise sanctioned by an Extraordinary Resolution) if the Issuer provides additional assets (as security for such further notes) which are fungible with, and have the same proportionate composition as, those forming part of the Mortgaged Property for the Notes and in the same proportion as the proportion that the nominal amount of such new notes

bears to the Notes. Any new notes forming a single series with the Notes shall be constituted and secured by a deed supplemental to the Trust Deed, such further security shall be added to the Mortgaged Property so that the new notes and the existing Notes shall be secured by the same Mortgaged Property (and, for the avoidance of doubt, all the holders of the first and all later Tranches of Notes shall benefit from the Mortgaged Property on a *pari passu* basis) and references in these Conditions to “**Notes**”, “**Collateral**”, “**Mortgaged Property**”, “**Secured Payment Obligations**” and “**Secured Creditor**” shall be construed accordingly. The Trust Deed contains provisions for convening a single meeting of the holders of the Notes and the holders of notes of other specified series in certain circumstances where the Trustee so decides.

23 Notices

Notices to the holders of Notes shall be valid if published in a daily newspaper of general circulation in Europe and for so long as Notes are listed on a stock exchange, published in accordance with the rules of such stock exchange. If in the opinion of the Trustee any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Notes in accordance with this Condition 23. In addition, if and for so long as the Notes are listed on a stock exchange, all notices to holders of the Notes will be published in accordance with the rules of such stock exchange.

24 Indemnification and Obligations of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee, for its relief from responsibility including for the exercise of any voting rights in respect of the Collateral and for the validity, sufficiency and enforceability (which the Trustee has not investigated) of the Security created over the Mortgaged Property and the Managers’ Security created over the Managers’ Secured Property. The Trustee is not obliged or required to take any step, action or proceeding under the Trust Deed unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trustee and any Affiliate of the Trustee are entitled to enter into business transactions with the Issuer, the Collateral Obligor, the Collateral Guarantor, the Managers or any of their subsidiaries, holding or associated companies without accounting to the Noteholders or Couponholders for profit resulting therefrom.

The Trustee is exempted from liability with respect to any loss or theft or reduction in value of the Collateral, from any obligation to insure or to procure the insuring of the Collateral and from any claim arising from the fact that the Collateral will be held in safe custody by the Custodian or any custodian selected by the Trustee (in each case, if applicable). The Trustee is not responsible for monitoring or supervising the performance by any other person of its obligations to the Issuer and may assume these are being performed unless and until it has actual knowledge to the contrary.

The Trust Deed provides that in acting as Trustee under the Trust Deed the Trustee does not assume any duty or responsibility to the Disposal Agent, the Enforcement Agent, the Custodian, the Calculation Agent or any of the Paying Agents or any other Transaction Party (other than to pay to any of such parties any moneys received and repayable to it and to act in accordance with the provisions of Conditions 5 (*Security*) and 16 (*Application of Available Proceeds or Managers’ Available Proceeds*) and shall have regard solely to the interests of the Noteholders.

None of the Trustee nor the Paying Agents shall be required or obliged to monitor or enquire as to whether any event, condition or circumstance which could lead to an early redemption of the Notes

exists or has occurred. None of the Trustee nor the Paying Agents shall have any obligation, responsibility or liability for giving or not giving any notice thereof to the Issuer, the Calculation Agent or any Secured Creditor.

Equivalent protective provisions apply in relation to the Managers' Trustee in relation to the Managers' Security under the terms of the Trust Deed.

25 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999, except and to the extent (if any) that the Notes expressly provide for such Act to apply to any of their terms.

26 Governing Law and Jurisdiction

(a) Governing Law

The Trust Deed and the Notes, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

(b) Jurisdiction

The courts of England are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Notes Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Coupons or Talons ("**Proceedings**") may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

(c) Service of Process

The Issuer has irrevocably appointed an agent in England to receive, for it and on its behalf, service of process in any Proceedings in England.

FORM OF THE NOTES

The Notes will be represented by a permanent global note (the “**Global Note**”) exchangeable for Definitive Notes in the limited circumstances specified in the Global Note.

Set out below is a summary of the provisions relating to the Notes while in global form.

Initial Issue of the Notes

The Global Note may be delivered on or prior to the Issue Date to the Common Depositary. Upon the initial deposit of the Global Note with the Common Depositary, the Clearing System will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. The records of the Clearing System shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by the Clearing System at any time shall be conclusive evidence of the records of the Clearing System at that time.

Relationship of Accountholders with the Clearing System

Each of the persons shown in the records of the Clearing System as the holder of a Note represented by the Global Note must look solely to the Clearing System for his share of each payment made by the Issuer to the bearer of such Global Note and in relation to all other rights arising under the Global Note, subject to and in accordance with the respective rules and procedures of the Clearing System. Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note in respect of each amount so paid.

Exchange

The Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not in part for Definitive Notes if the Global Note is held on behalf of the Clearing System and the Clearing System is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so.

In the event that the Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a Definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

Delivery of Notes

On or after any due date for exchange, the holder of the Global Note may surrender such Global Note to or to the order of the Issuing and Paying Agent. In exchange for such Global Note, the Issuer will deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes.

Amendment to Conditions

The Global Note contains provisions that apply to the Notes that they represent, some of which modify the effect of the Conditions. The following is a summary of certain of those provisions:

Payments

No payment falling due after the Exchange Date will be made on the Global Note unless exchange for Definitive Notes is improperly withheld or refused. All payments in respect of Notes represented by the

Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Issuing and Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. Each payment so made shall discharge the Issuer's obligations in respect thereof. A record of each such payment so made will be endorsed on the Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Notes. Condition 8(d) (*Redemption for Taxation Reasons*) and Condition 11(a) (*Appointment of Agents*) will apply to the Definitive Notes only. For the purpose of any payments made in respect of the Global Note, the words "in the relevant place of presentation," shall not apply in the definition of "business day" in Master Condition 10(e) (*Non-Business Days*).

Prescription

Claims against the Issuer in respect of the Notes will become void unless they are presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date.

Meetings

The holder of the Global Note shall (unless such Global Note represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of the Global Note shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes.

Cancellation

Cancellation of any Note represented by the Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by a reduction in the nominal amount of the Global Note.

Purchase

Notes represented by the Global Note may only be purchased by the Issuer if they are purchased together with the rights to receive all future payments of interest thereon.

Trustee's Powers

In considering the interests of Noteholders while the Global Note is held on behalf of the Clearing System, the Trustee may have regard to any information provided to it by the Clearing System or its operator as to the identity (either individually or by category) of its accountholders or participants with entitlements to the Global Note and may consider such interests as if such accountholders were the holders of the Notes represented by the Global Note.

Amendments

While the Global Note is held on behalf of the Clearing System, for the purpose of determining whether a written resolution has been validly passed the Issuer and the Trustee shall be entitled to rely on consent or instructions given by accountholders in the Clearing System with entitlements to the Global Note or, where the accountholders hold any such entitlement on behalf of another person, on consent from or instruction by the person for whom such entitlement is ultimately beneficially held, whether such beneficiary holds directly with the accountholder or via one or more intermediaries and provided that, in each case, the Issuer and the Trustee have obtained commercially reasonable evidence to ascertain the validity of such holding and have taken reasonable steps to ensure that such holding does not alter following the giving of such consent or instruction and prior to the effecting of such amendment. Any resolution passed in such manner shall be binding on the Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. As used in this paragraph, "**commercially reasonable evidence**" includes any certificate or other document issued by the Clearing System, or

issued by an accountholder of them or an intermediary in a holding chain, in relation to the holding of interests in the Notes. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by Euroclear's EUCLID or Clearstream, Luxembourg's Creation Online system in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

Notices

So long as the Notes are represented by the Global Note and such Global Note is held on behalf of the Clearing System, notices to the Noteholders may be given by delivery of the relevant notice to the Clearing System for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note, except that if and for so long as the Notes are listed on a stock exchange, all notices to Noteholders will be published in accordance with the rules of such stock exchange.

For the purposes of this Series Prospectus:

"Clearing System" means Euroclear and Clearstream, Luxembourg.

"Common Depository" means a common depository for the Clearing System

"Definitive Notes" means, in relation to the Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons in respect of interest that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of the Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

"Exchange Date" means a day falling not less than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the Specified Office of the Issuing and Paying Agent is located.

INFORMATION CONCERNING THE PURCHASE OF THE ORIGINAL COLLATERAL

On the Issue Date, pursuant to the Purchase Agreement, the Issuer will acquire the Original Collateral from the Collateral Obligor, which will be registered in the name of the Custodian acting as custodian on behalf of the Issuer, and any certificate(s) issued in respect thereof will be held by the Custodian acting through its London office pursuant to the Agency Agreement subject to the Security in favour of the Trustee created by the Trust Deed.

Under the Purchase Agreement, each of the Collateral Obligor and the Collateral Guarantor has (i) given certain representations and warranties to the Issuer, including in respect of the Collateral Obligor's authority and capacity to issue, and the Collateral Guarantor's authority and capacity to guarantee, the Collateral and that such Collateral constitutes legal, valid and binding obligations of the Collateral Obligor and the Collateral Guarantor in accordance with their terms, and (ii) agreed to indemnify the Issuer against certain liabilities.

Each of the Collateral Obligor and the Collateral Guarantor has acknowledged the assignments by way of security of the Issuer's rights under the Purchase Agreement to the Trustee and the Managers' Trustee. For a description of these assignments see "Conditions of the Notes – 5. Security" in the Conditions.

Information about the Original Collateral is set out in the Information Memorandum for the Original Collateral set out in the Appendix to this Series Prospectus.

INFORMATION CONCERNING THE COLLATERAL OBLIGOR AND THE COLLATERAL GUARANTOR

Basic information about the Collateral Obligor and the Collateral Guarantor is set out below. For further information, please refer to the Information Memorandum for the Original Collateral set out in the Appendix to this Series Prospectus.

Collateral Obligor

Name:	Swiss Life AG
Address:	General Guisan-Quai 40, Postfach 2831, Zürich, 8002, Switzerland
Country of Incorporation:	Switzerland
Nature of Business:	Swiss Life AG forms part of the Swiss Life group providing insurance products and services
Name of market where securities (other than the Original Collateral) have been admitted:	SIX Swiss Exchange

Collateral Guarantor

Name:	Swiss Life Holding AG
Address:	General Guisan-Quai 40, Postfach 2831, Zürich, 8002, Switzerland
Country of Incorporation:	Switzerland
Nature of Business:	Swiss Life Holding AG is a Switzerland-based holding company and forms part of the Swiss Life group, providing insurance products and services
Name of market where securities (other than the Original Collateral) have been admitted:	SIX Swiss Exchange

SUBSCRIPTION AND SALE

Subject to the terms and conditions contained in the Syndication Agreement with respect to the Notes, the Issuer has agreed to sell to the Managers, and the Managers have jointly and severally agreed to purchase from the Issuer, the Notes.

The Managers will purchase the Notes at a customary discount from the price indicated on the cover of this Series Prospectus and propose initially to offer and sell the Notes at the issue price set forth on the front of this Series Prospectus. After the initial offering of the Notes, the price at which the Notes are being offered may be changed at any time without notice. The offering of the Notes by the Managers is subject to receipt and acceptance and subject to the Managers' rights to reject any order in whole or in part.

Indemnification

The Issuer has agreed to indemnify the Managers against certain liabilities or to contribute to payments that the Managers may be required to make in respect of those liabilities.

Selling Restrictions

United States

The Notes have not been and will not be registered under the Securities Act and the Notes are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States. Each Manager has agreed that it will not offer, sell or deliver any Notes within the United States.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of the Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

United Kingdom

Each Manager has represented and agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 ("FSMA") received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of FSMA does not apply to the Issuer; and
- (ii) it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

The Netherlands

The Notes may be offered in the Netherlands only to qualified investors as defined in the Prospectus Directive.

Switzerland

The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or any other exchange or regulated trading facility in Switzerland. Neither this Series Prospectus nor any other offering or marketing material relating to the Notes constitutes (i) an Offering Memorandum as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations, (ii) a listing Offering Memorandum within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland or (iii) a

simplified prospectus or a prospectus as such term is defined in the Swiss Collective Investment Schemes Act, and neither this Series Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Series Prospectus nor any other offering and marketing material relating to the offering, the Issuer or the Notes have been or will be filed with or approved by any Swiss regulatory authority. The Notes are not subject to the supervision by any Swiss regulatory authority, including FINMA, and investors in the Notes will not benefit from protection or supervision by such authority.

Hong Kong

Each Manager has represented and agreed that it has not issued, or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

Singapore

Each Manager has acknowledged that this Series Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Manager has represented and agreed that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Series Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

This Series Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Series Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Notes may not be circulated or distributed, nor may any Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

General

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Series Prospectus or any other offering material, in any country or jurisdiction where action for that purpose is required.

Each Manager has agreed that it will, to the best of its knowledge, comply in all material respects with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Series Prospectus or any other offering material and neither the Issuer nor any other Manager shall have responsibility therefor.

GENERAL INFORMATION

- 1 The issue of the Notes was authorised pursuant to a resolution passed by the Board of Directors of the Issuer on 11 June 2015.
- 2 The Base Prospectus is available on the website of the Irish Stock Exchange (http://www.ise.ie/debt_documents/Base%20Prospectus_7c38c433-965e-4ab7-8aef-4115284b3566.PDF?v=312015).
- 3 The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg under Common Code 124529280. The International Securities Identification Number for the Notes is XS1245292807.
- 4 The Issuer does not intend to permit indirect interests in the Notes to be held through the CREST Depository Interests to be issued through the CREST Depository.
- 5 The TEFRA C exemption will be applicable to the Notes.
- 6 The Notes will not be represented by a New Global Note.
- 7 Save as discussed in the “*Subscription and Sale*” section, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.
- 8 The Notes will be subscribed for on a syndicated basis and the names of (i) the Joint Lead Managers are BNP Paribas, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, and J.P. Morgan Securities plc; and (ii) the Co-Lead Managers are Banca IMI S.p.A., Bayerische Landesbank and Natixis.
- 9 The Notes will be delivered against payment.
- 10 The Notes are not intended to be held in a manner which would allow Eurosystem eligibility. Whilst this is the intention as at the date of this Series Prospectus, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them, the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.
- 11 The Issuer does not intend to provide post-issuance information regarding, where applicable, performance of the Original Collateral.
- 12 Any websites included in the Base Prospectus or this Series Prospectus are for information purposes only and do not form part of the Base Prospectus or this Series Prospectus.
- 13 The appointed Irish listing agent in respect of the Notes is Arthur Cox Listing Services Limited. Arthur Cox Listing Services Limited is acting solely in its capacity as Irish listing agent for the Issuer in connection with the Series and is not seeking admission of Notes to the Official List or to trading on the Main Securities Market for the purposes of the Prospectus Directive.
- 14 The estimated net proceeds of the issue is EUR 743,287,500 and the estimated total expenses of the issue is EUR 2,141.20.
- 15 The Issuer is not involved in any governmental, legal or arbitration proceedings that may have, or have since its incorporation, a significant effect on its financial position or profitability nor is the Issuer aware that any such proceedings are pending or threatened.

- 16** For the life of the Series Prospectus, the Memorandum and Articles of Association of the Issuer will be available for inspection at the Specified Office of the Paying Agent in printed form.
- 17** The Issuer has appointed Hackwood Secretaries Limited as its agent to receive, for it and on its behalf, service of process in any Proceedings in England pursuant to an appointment letter dated 12 June 2015.

APPENDIX
INFORMATION MEMORANDUM FOR THE ORIGINAL COLLATERAL



Swiss Life AG

EUR 750,000,000

**Guaranteed Subordinated Perpetual Fixed to Floating Rate Loan Notes
guaranteed on a subordinated basis by
Swiss Life Holding AG**

The EUR 750,000,000 4.375 per cent. Guaranteed Subordinated Perpetual Fixed to Floating Rate Loan Notes (the "**Loan Notes**") will be issued by Swiss Life AG ("**SL**" or the "**Issuer** ") on 16 June 2015 (the "**Issue Date**") and guaranteed on a subordinated basis by Swiss Life Holding AG ("**SL Holding**" or the "**Guarantor**"). Initially, only one Loan Note will be issued by the Issuer.

The Loan Notes have no fixed final maturity date. The Issuer may redeem the Loan Notes in whole but not in part at their principal amount, together with any accrued interest and any outstanding Deferred Interest (as defined in the terms and conditions of the Loan Notes (the "**Conditions**")), on 16 June 2025 (the "**First Call Date**") or on each subsequent Interest Payment Date (as defined in the Conditions) thereafter. The Issuer may also redeem the Loan Notes in whole but not in part upon the occurrence of a Recalculation of Interest Event, a Tax Event, an Accounting Event, a Rating Agency Event or a Regulatory Event (each as defined in the Conditions, and referred to collectively as the "**Special Early Redemption Events**"). A redemption upon the occurrence of a Special Early Redemption Event will be at the principal amount of the Loan Notes, together with any accrued interest and any outstanding Deferred Interest. The Issuer may redeem the Loan Notes only if no Solvency Event (as defined in the Conditions) has occurred that is continuing and if the Swiss Financial Market Supervisory Authority FINMA, or any successor authority (collectively, "**FINMA**"), has given such consent, approval or non-objection (if any) as is required under the relevant rules and regulations of FINMA, all as more fully described in the Conditions.

The Loan Notes will bear interest at (i) a fixed rate of 4.375 per cent. per annum from and including 16 June 2015 to but excluding the First Call Date payable annually in arrear on 16 June in each year commencing on 16 June 2016, and (ii) a floating rate equal to the sum of the three month EURIBOR plus the Initial Margin (as defined in the Conditions) of 3.30 per cent. plus one per cent. per annum from and including the First Call Date payable quarter-annually in arrears on each 16 September, 16 December, 16 March and 16 June thereafter. Under certain circumstances described in Condition 4 of the Conditions, the Issuer may elect, or be required, to defer interest payments on the Loan Notes.

The Loan Notes constitute direct, unsecured, subordinated and perpetual obligations of the Issuer and rank *pari passu*, without any preference, among themselves and any other future unsecured, subordinated perpetual obligations of the Issuer (whether actual or contingent) outstanding from time to time ranking, or expressed to rank, *pari passu* with the obligations of the Issuer under the Loan Notes, except that the Loan Notes will rank senior to any debt or other obligation of the Issuer that is expressly or by applicable law subordinated to the Loan Notes. In the event of the insolvency, winding-up, liquidation, composition, dissolution or other similar proceedings of or against the Issuer, the claims of the Loan Noteholders against the Issuer in respect of payments of principal of, and interest on, the Loan Notes will be subordinated in right of payment to the claims of all Senior Creditors (as defined in the Conditions) of the Issuer, but will be paid in priority to any debt or other obligation of the Issuer that is expressly or by applicable law subordinated to the Loan Notes and to distributions to all classes of equity of the Issuer. The Guarantor has given an unconditional and irrevocable guarantee on a subordinated basis for the due payment of principal of, and interest on and any premium, and any other amounts expressed to be payable by the Issuer under the Condi-

tions (the "**Guarantee**") in accordance with Article 111 of the Swiss Federal Code of Obligations, irrespective of the validity of the Loan Notes and has waived all rights of objection and defense arising from the Loan Notes. In the event of the insolvency, winding-up, liquidation, composition, dissolution or other similar proceedings of or against the Guarantor, the claims of the Loan Noteholders under the Guarantee will be subordinated in right of payment to the claims of all Senior Creditors (as defined in the Guarantee) of the Guarantor, but will be paid in priority to any debt or other obligation of the Guarantor that is expressly or by applicable law subordinated to the Guarantee and to distributions to all classes of equity of the Guarantor.

Subject to the Conditions, the Issuer may, following the occurrence of any Special Early Redemption Event which is continuing, without any requirement for the consent or approval of the holders of the Loan Notes (the "**Loan Noteholders**"), substitute (i) all (but not less than all) of the Loan Notes or (ii) the Issuer by a successor issuer (with a guarantee by the Guarantor) or otherwise modify the terms of the Loan Notes.

The Loan Notes initially will be represented by a single definitive certificate in registered form representing EUR 750,000,000 in principal amount of the Loan Notes. The Loan Notes will not be listed on any securities exchange.

The Loan Notes are expected to be assigned on issue a rating of BBB+ by Standard and Poor's Rating Services, a division of The McGraw Hill Companies, Inc.

The Loan Notes have not been, or will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any state or other jurisdiction of the United States. The Loan Notes may not be offered, sold or resold within the United States (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws. The Loan Notes are not being offered in the United States or to U.S. persons. In addition, each Loan Noteholder must be a Qualifying Bank (as defined in the Conditions) or, subject to the Issuer having consented thereto in writing, a Permitted Non-Qualifying Lender (as defined in the Conditions); provided that there shall at any time be no more than five Qualifying Banks that are Loan Noteholders. The Loan Notes are subject to significant restrictions on transfer, see "Transfer Restrictions".

Each investor contemplating purchasing the Loan Notes should make its own independent investigation of the financial condition and affairs of the Issuer and the Guarantor, and its own appraisal of the creditworthiness of the Issuer and the Guarantor. **See "Risk Factors" beginning on page 19 for a discussion of certain factors that should be considered by prospective investors.**

No person has been authorised to give any information or to make any representation other than those contained in this Information Memorandum in connection with the issue or sale of the Loan Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer and the Guarantor. This Information Memorandum does not constitute an offer, and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such an offer or solicitation is not authorised or is unlawful. See "Transfer Restrictions".

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DOCUMENTS INCORPORATED BY REFERENCE

Each document incorporated herein by reference is current only as at the date of such document, and the incorporation by reference of such documents shall not create any implication that there has been no change in the affairs of the Issuer, the Guarantor or the Guarantor's other direct and indirect subsidiaries (the Issuer, the Guarantor and the Guarantor's other direct and indirect subsidiaries taken as a whole the "**Swiss Life Group**" or "**Swiss Life**"), as the case may be, since the date thereof or that the information contained therein is current as at any time subsequent to its date. Any statement contained therein shall be deemed to be modified or superseded for the purposes of this Information Memorandum to the extent that a subsequent statement contained herein modifies or supersedes that statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum.

The documents referenced below are incorporated by reference into this Information Memorandum and are available on the website of the Swiss Life Group (<http://www.swisslife.com/en/home/investors/results/infokits.html>):

- The consolidated audited financial statements of the Swiss Life Group (including the notes thereto and the auditors' reports) as at, and for the years ended 31 December 2014 and 2013; and
- Media release of the Swiss Life Group with respect to the business development in the first quarter of 2015 dated 12 May 2015.

Prospective investors are advised to obtain and read the documents incorporated by reference herein before making their investment decision in relation to the Loan Notes

No other information contained on the Swiss Life Group web site, or on any other web site, is incorporated herein by reference.

Definitions

Capitalised terms used but not defined elsewhere in this Information Memorandum shall have the meanings set forth in the Conditions as set forth in "Terms and Conditions of the Loan Notes".

Sources of Information

Except where market or market share data are otherwise attributed to another source, all market and market share data included in this Information Memorandum are our own estimates. These estimates are based upon Swiss Life Group's experience in the insurance industry.

Cautionary Note on Forward-Looking Statements

Certain statements contained in this Information Memorandum are forward-looking. These statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to a historical fact or current fact. Forward-looking statements typically are identified by words or phrases such as "anticipate", "assume", "believe", "continue", "estimate", "expect", "foresee", "intend", "may increase" and "may fluctuate" and similar expressions or by future or conditional verbs such as "will", "should", "would" and "could". These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results of operations, financial condition, solvency, ratios, liquidity position or prospects to be materially different from any future results of operations, financial, condition, solvency ratios, liquidity position or prospects expressed or implied by such statements. Any forward-looking, statements are qualified in their entirety by reference to the factors discussed throughout this Information Memorandum.

Among the key factors that have a direct bearing on Swiss Life Group's results of operations, financial condition, solvency ratios, liquidity position or prospects are:

- instability affecting the global financial system and developments related thereto;
- deterioration in global economic conditions;
- the effect of capital market conditions, including the global credit and equity markets, and the level and volatility of interest rates, credit spreads, equity prices, currency values and other market indices as well as the development of real estate prices, on investment assets;
- changes in investment result as a result of changes in investment policy or the changed composition of investment assets, and the impact of the timing of any such changes relative to changes in market conditions;
- uncertainties in valuing assets and liabilities;
- possible inability to realise amounts on sales of assets held on the balance sheet equivalent to their mark-to-market values recorded for accounting purposes;
- the possibility that hedging arrangements may not be effective;
- the lowering, loss of or change in the outlook for one of the financial strength or other ratings of one or more Swiss Life companies, and developments adversely affecting Swiss Life Group's ability to achieve improved ratings;
- the ability to maintain sufficient liquidity and access to capital markets, including sufficient liquidity to cover potential recapture of reinsurance agreements, early calls of debt or debt-like arrangements and collateral

calls due to actual or perceived deterioration of the financial strength or otherwise;

- uncertainties in estimating reserves;
- current, pending and future legislation and regulation including tax laws affecting Swiss Life Group;
- changes in laws and regulations (including tax law and industry requirements or business conduct rules of general applicability) and their interpretation by courts, regulators and other authorities;
- legal actions or regulatory investigations or actions, including those in respect of industry requirements or business conduct rules of general applicability;
- uncertainties in estimating future claims for purposes of financial reporting; in particular the frequency, severity and development of insured claim events;
- mortality, morbidity and longevity assumptions;
- policy renewal and lapse rates;
- extraordinary events affecting clients and other counterparties, such as bankruptcies, liquidations and other credit-related events;
- acts of terrorism and acts of war;
- changes in accounting standards;
- significant investments, acquisitions or dispositions, and any delays, unexpected costs or other issues experienced in connection with any such transactions;
- changing levels of competition; and
- operational factors, including the efficacy of risk management and other internal procedures in managing the foregoing risks.

See "Risk Factors" for additional details.

These factors are not exhaustive. Because these factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements made by or on behalf of Swiss Life Group, investors should not place undue reliance on any of these forward-looking statements. Further, any forward-looking statement speaks only as of the date of this Information Memorandum. Except as may be required by applicable law, stock exchange rules or regulations, Swiss Life Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. New factors emerge from time to time, and it is not possible to predict which will arise. In addition, Swiss Life Group cannot assess the effect of each factor on the business or the extent to which any factor, or combination

of factors, may cause actual results to differ materially from those described in any forward-looking statement.

OVERVIEW OF THE TERMS AND CONDITIONS OF THE LOAN NOTES

This summary should be read together with the full Conditions set forth in "Terms and Conditions of the Loan Notes".

Issuer	Swiss Life AG
Guarantor	Swiss Life Holding AG
Securities	4.375 per cent. Guaranteed Subordinated Perpetual Fixed to Floating Rate Loan Notes (the " Loan Notes ")

Status of the Loan Notes

The Loan Notes constitute direct, unsecured, subordinated and perpetual obligations of the Issuer and rank pari passu, without any preference among themselves and any other future unsecured, subordinated perpetual obligations of the Issuer (whether actual or contingent) outstanding from time to time ranking, or expressed to rank, pari passu with the obligations of the Issuer under the Loan Notes, except that the Loan Notes will rank senior to any debt or other obligation of the Issuer that is expressly or by applicable law subordinated to the Loan Notes.

In the event of the insolvency, winding-up, liquidation, composition, dissolution or other similar proceedings of or against the Issuer, the claims of the holders of record of Loan Notes (the "**Loan Noteholders**") against the Issuer in respect of payments of principal of, and interest on, the Loan Notes will be subordinated in right of payment to the claims of all Senior Creditors (as defined below) of the Issuer, but will be paid in priority to any debt or other obligation of the Issuer that is expressly or by applicable law subordinated to the Loan Notes and to distributions to all classes of equity of the Issuer.

Where:

"**Senior Creditors**" means creditors of an Issuer, (i) who are policyholders or other unsubordinated creditors of the Issuer, or (ii) whose claims are, or are expressed to be, subordinated (whether only in the event of the liquidation, dissolution or winding-up of

the Issuer or otherwise) to the claims of policyholders and other unsubordinated creditors of the Issuer (including all existing and future unsecured, subordinated dated obligations and all existing (but, for the avoidance of doubt, not future) unsecured, subordinated, perpetual obligations of the Issuer (whether actual or contingent), except those whose claims rank, or are expressed to rank, equally with or junior to the claims of the Loan Noteholders under the Loan Notes.

No security (except for the Guarantee (as defined below) with respect to the Loan Notes) of whatever kind is, or will at any time be, provided by the Issuer or any other person securing rights of the Loan Noteholders under the Loan Notes. No subsequent agreement may limit the subordination pursuant to the provisions set out in Condition 2(a) or shorten any applicable notice period in respect of the Loan Notes.

No Loan Noteholder may set off any claims arising under the Loan Notes against any claims that the Issuer may have against the Loan Noteholder. The Issuer may not set off any claims it may have against any Loan Noteholder against any of its obligations under the Loan Notes.

Guarantee

The Guarantor has given an unconditional and irrevocable guarantee on a subordinated basis for the due payment of the amounts (including, but not limited to, principal and interest) expressed to be due and payable by the Issuer under and pursuant to the terms and conditions of the Loan Notes (the "**Guarantee**") in accordance with Article 111 of the Swiss Federal Code of Obligations, irrespective of the validity of the Loan Notes, the purchase agreement relating to the Loan Notes between the Issuer, the Guarantor and Demeter Investments B.V. dated 12 June 2015 (the "**Purchase Agreement**") and the agency agreement relating to the Loan Notes between the Issuer, the Guarantor and Bank of New York Mellon dated 16 June 2015 (the "**Agency Agreement**") and has waived all rights of objection and defense arising from the Loan Note, the Purchase Agreement and the Agency Agreement. Accordingly, the Guarantor has agreed to pay or deliver to Bank of New York

Mellon, London branch, in its capacity as fiscal, paying and calculation agent in respect of the Loan Notes (the "**Agent**"), on behalf of the Loan Noteholders, within 7 (seven) calendar days after the receipt by the Guarantor of the first written demand of the Agent for payment and its confirmation in writing that an amount has become due and payable under the Loan Notes which is equivalent to the amount claimed under the Guarantee and has remained unpaid on the due date.

The Guarantee will constitute a direct, subordinated and unsecured obligation of the Guarantor and rank *pari passu*, without any preference, among such obligations. In the event of the voluntary or involuntary insolvency, winding-up, liquidation, dissolution or other similar proceedings of or against the Guarantor, the claims of the Loan Noteholders under the Guarantee will be subordinated in right of payment to the claims of all Senior Creditors of the Guarantor, but will be paid in priority to any debt or other obligation of the Guarantor that is expressly or by applicable law subordinated to the Guarantee and to distributions to all classes of equity of the Guarantor.

Where:

"Senior Creditors" means creditors of the Guarantor (i) who are unsubordinated creditors of the Guarantor, or (ii) whose claims are, or are expressed to be, subordinated (whether only in the event of the liquidation, dissolution or winding-up of the Guarantor or otherwise) to the claims of other unsubordinated creditors of the Guarantor (including all existing and future unsecured, subordinated obligations of the Guarantor (whether actual or contingent)), except those whose claims rank, or are expressed to rank, equally with or junior to the claims of the Loan Noteholders under this Guarantee.

No security of whatever kind is, or will at any time be, provided by the Guarantor or any other person securing rights of the Loan Noteholders under the Guarantee. No subsequent agreement may limit the subordination pursuant to the provisions set out in Condition 2(a) or shorten any applicable notice period in respect of the Loan Notes or the Guarantee.

Securities Rating	BBB+
Aggregate Principal Amount of the Loan Notes	EUR 750,000,000
Form of Loan Notes	<p>The Loan Notes initially will be represented by a single definitive certificate in registered form (<i>Namenpapier</i>). The Loan Notes shall each bear the manual or facsimile signatures of two duly authorised officers of the Issuer as well as the manual signature of an authentication officer of Bank of New York Mellon (Luxembourg) S.A. (the "Registrar"). The Registrar will maintain a register of the holders of record of the Loan Notes reflecting the ownership of the Loan Notes (the "Register").</p> <p>Initially only one Loan Note will be issued.</p>
Issue Price	99.105 per cent.
Maturity, Redemption	Perpetual and not redeemable, except at the option of the Issuer as set out below.
Optional Redemption	Subject to the conditions for redemption and repurchases stated in Condition 5.5, the Loan Notes are redeemable in whole but not in part at the option of the Issuer at their principal amount together with any accrued interest and any outstanding Deferred Interest on 16 June 2025 (the " First Call Date ") and on each subsequent Interest Payment Date.
Special Early Redemption	<p>Subject to the conditions for redemption and repurchases stated in Condition 5.5, the Issuer may also call and redeem the Loan Notes in whole but not in part at their principal amount together with any accrued interest and any outstanding Deferred Interest upon the occurrence of:</p> <ul style="list-style-type: none"> (i) a Recalculation of Interest Event; (ii) a Tax Event; (iii) an Accounting Event; (iv) a Rating Agency Event; or

(v) a Regulatory Event;

each a "**Special Early Redemption Event**" and together "**Special Early Redemption Events**".

Recalculation of Interest Event

"**Recalculation of Interest Event**" means (i) the occurrence of a Recalculation of Interest (as defined below) or (ii) that the Issuer is required pursuant to the Conditions to pay Additional Amounts in respect of the Loan Notes and this cannot be avoided by the Issuer taking such reasonable measures as the Issuer (acting in good faith) deems appropriate.

Tax Event

"**Tax Event**" means that an opinion of a recognised tax counsel has been delivered to the Agent and the Issuer or the Guarantor, stating that the Issuer is, or there is more than an insubstantial risk that the Issuer will be, no longer able to obtain a tax deduction for the purposes of Swiss corporation tax for any payment of interest by the Issuer on the Loan Notes, and this cannot be avoided by the Issuer taking such reasonable measures as it (acting in good faith) deems appropriate.

Accounting Event

"**Accounting Event**" means that an opinion of a recognised accounting firm has been delivered to the Issuer or the Guarantor, stating that obligations of the Issuer in respect of the Loan Notes must not or must no longer be recorded as liabilities on the balance sheet of the Guarantor published in the Guarantor's annual consolidated financial statements pursuant to the International Financial Reporting Standards, as issued by the International Accounting Standards Board, ("**IFRS**") and this cannot be avoided by the Issuer or the Guarantor, as the case may be, taking such reasonable measures as the Issuer or the Guarantor, as the case may be, (acting in good faith) deems appropriate. With respect to an Accounting Event the Issuer or the Guarantor, as the case may be, will deliver the applicable opinion to the Agent.

Rating Agency Event

"**Rating Agency Event**" means when, at any time, as a consequence of a change on or after the Issue Date in the rating methodology of a Rating Agency (as defined below), or interpretation of such methodology in relation to the equity content of securities

(such as the Loan Notes), the equity content, in the reasonable opinion of the Issuer, assigned to the Loan Notes as of the date of such change is lower than the equity content previously assigned by such Rating Agency at or around the Issue Date or when such equity content was assigned for the first time (as applicable).

Where:

"Rating Agency" means Standard and Poor's Rating Services, a division of The McGraw Hill Companies, Inc. ("**S&P**") or such other nationally recognised credit rating agency that, from time to time, assumes or performs the function that is performed by S&P as at the Issue Date.

Regulatory Event

"Regulatory Event" means the occurrence of any of the following events which occurrence cannot be avoided by the Issuer or the Guarantor, as the case may be, taking such reasonable measures as the Issuer (acting in good faith) deems appropriate:

- (i) the Regulator (as defined below) states that the Loan Notes are no longer eligible, in whole or in part, to qualify as upper additional capital (*oberes ergänzendes Kapital*) pursuant to Art. 49 in connection with Art. 39 of the SPICO (as defined below), and no longer fulfil the requirements for such category, or equivalent thereof, for group or solo solvency purposes; or
- (ii) the Regulator issues further guidance in relation to instruments qualifying under Art. 39 of the SPICO or in any Future Regulations (as defined below) for group or solo solvency purposes (by way of law, ordinance, regulation or a published interpretation thereof), and following which the Regulator states that such guidance has an adverse regulatory capital implication for the Issuer or the Guarantor in relation to the Loan Notes.

Where:

"Future Regulations" means the solvency margin, regulatory capital or capital adequacy regulations (if any) which may be introduced in Switzerland and

which are applicable to the Issuer and/or the Guarantor, which would set out the requirements to be satisfied by financial instruments in order that they be eligible to be included in Tier Two (or equivalent) own funds regulatory capital.

"Regulator" means the Swiss Financial Market Supervisory Authority (FINMA) or such other agency that, from time to time, assumes or performs the function that is performed by FINMA as at the Issue Date.

"SPICO" means the Ordinance on the Supervision of Private Insurance Companies (Verordnung über die Beaufsichtigung von privaten Versicherungsunternehmen – AVO) of 9 November 2005, as amended.

Interest

The Loan Notes bear interest on their aggregate principal amount at the Fixed Rate of Interest (as stated below) from and including 16 June 2015 to but excluding the First Call Date and at the Floating Rate of Interest (as stated below) from and including the First Call Date to but excluding the first Floating Interest Payment Date (as stated below) and thereafter from and including each Floating Interest Payment Date to but excluding the next following Floating Interest Payment Date.

Fixed Rate of Interest 4.375 per cent. per annum.

Floating Rate of Interest Three month EURIBOR plus the Initial Margin of 3.30 per cent. plus 1 per cent., all as determined by the Agent.

Fixed Interest Payment Dates 16 June in each year until, subject to an early redemption, the First Call Date. The first Fixed Interest Payment Date will be 16 June 2016.

Floating Interest Payment Dates 16 March, 16 June, 16 September and 16 December in each year. The first Floating Interest Payment Date will be 16 September 2025.

Tax Deductions and Recalculation of Interest If a deduction of Tax is required by law to be made by the Issuer in respect of any payment of interest

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in respect of the Loan Notes or, as the case may be any payment by the Guarantor under the Guarantee, for Swiss Withholding Tax and should it be unlawful for the Issuer or the Guarantor to comply with section (a) of Condition 7 for any reason, where this would otherwise be required by the terms of Condition 7 (in particular taking into account the exclusions in section (b) of Condition 7), then (A) the applicable interest rate with respect to that interest payment shall be the interest rate which would have applied to that interest payment as provided for by Condition 3 divided by 1 minus the rate at which the relevant deduction of Tax is required to be made under Swiss domestic tax law and/or applicable double taxation treaties (where the rate at which the relevant Tax deduction is required to be made is for this purpose expressed as a fraction of 1) and (B) the Issuer shall (x) pay the relevant interest at the adjusted rate in accordance with this section (c), (y) make the deduction of Tax on the interest so recalculated and (z) all references to a rate of interest under the Conditions shall be construed accordingly.

To the extent that interest payable by the Issuer in relation to the Loan Notes or, as the case may be any payment by the Guarantor under the Guarantee, becomes subject to Swiss Withholding Tax, each relevant Loan Noteholder and the Issuer or the Guarantor shall promptly cooperate in completing any procedural formalities (including submitting forms and documents required by the appropriate Tax authority) to the extent possible and necessary (A) for the Issuer or the Guarantor to obtain authorisation to make interest payments without them being subject to Swiss Withholding Tax and (B) to ensure that any person which is entitled to a full or partial refund under any applicable double taxation treaty is so refunded. In case of a refund the amount of such refund that, together with the respective interest payments and/or payments under the Guarantee received by the Loan Noteholders, exceeds the amount of interest and/or payments under the Guarantee that the Loan Noteholders were entitled to if no Swiss Withholding Tax had been deducted (i.e. the interest calculated at the interest rates provided for in these Terms of the Loan Notes other than in Condition 3.3) shall be paid back by the person entitled to the refund to the Issuer or the Guarantor which had to remit the Swiss Withholding Tax to the

Tax authority; such recalculation is referred to as a "**Recalculation of Interest**".

Optional Deferral of Interest Payments

The Issuer will have the right to defer interest payments on the Loan Notes, in whole but not in part, on any Optional Interest Payment Date by giving notice to the Loan Noteholders not less than 3 (three) Business Days prior to the relevant Optional Interest Payment Date. An "**Optional Interest Payment Date**" will be deemed to be occurring on any Interest Payment Date which does not constitute a Solvency Interest Deferral Date (as defined in below) or a Compulsory Interest Payment Date. A notice given by the Issuer accordingly shall no longer have any effect, in case any Interest Payment Date after such notice is a Compulsory Interest Payment Date.

Solvency Deferral of Interest

A "**Solvency Interest Deferral Date**" occurs if in relation to an Interest Payment Date a Solvency Event has occurred and is continuing on the relevant Reference Date. In such case the Issuer will be required to suspend payment of any Interest Amount; provided that in the case where the payment of such Interest Amount would itself cause a Solvency Event to occur, the Issuer will only be required to suspend the Solvency Shortfall, except that the Issuer will not be required to suspend the payment of such Interest Amount or Solvency Shortfall, as the case may be, if the Regulator has given its consent to such payment.

If the Issuer is required to defer interest, it will give notice to the Loan Noteholders, not less than 3 (three) Business Days prior to such Solvency Interest Deferral Date of the amount of the relevant interest payment that shall be deferred.

Satisfaction of Deferred Interest

Subject to certain conditions described in Condition 4.4, Deferred Interest may at the option of the Issuer be paid in whole or in part at any time.

Furthermore, subject to the Regulator's approval as more fully described in Condition 4.4, Deferred Interest shall become due and payable in full upon the occurrence of any of the following events:

- (i) the occurrence of a Compulsory Interest

Payment Date following the deferral of interest;

- (ii) any redemption of the Loan Notes (both Optional Redemption or a Special Early Redemption);
- (iii) a decree or order being made by a court or agency or supervisory authority in Switzerland having jurisdiction in respect of the same, or a resolution being passed, for the dissolution (other than pursuant to a merger, consolidation or amalgamation with another entity where the resulting or surviving entity assumes all the obligations of the Issuer in respect of the Loan Notes), liquidation or winding-up of the Issuer; and
- (iv) the occurrence of the next Optional Interest Payment Date upon which the Issuer elects to make an interest payment.

Transfer of Loan Notes The Loan Notes may only be assigned and transferred by way of written assignment (*schriftliche Zession*), including upon an enforcement of a security over the Loan Notes, (a "**Transfer**") (and any Transfer is conditional (*aufschiebend bedingt*) upon and shall only become effective upon due registration of such Transfer by the Registrar in the Register according to section (b) below),

- (i) in whole or in part, if the Transfer is to a Qualifying Bank, provided that in the case of a Transfer of the Loan Notes in part the Loan Notes may not be transferred to more than 5 Qualifying Banks; or
- (ii) in whole but not in part, if the Transfer is to a Permitted Non-Qualifying Lender.

Substitution and Variation; Substitution of the Issuer Subject to the conditions to substitution and variation pursuant to Condition 14, in particular that the substituting securities have terms that are, in the opinion of two executive officers of the Issuer, not less favourable to the Loan Noteholders than the Conditions in any material way, the Issuer may, following the occurrence of any Special Early Redemption Event which is continuing, without any requirement for the consent or approval of the Loan Note-

holders, substitute (i) all (but not less than all) of the Loan Notes or (ii) the Issuer by a successor issuer (with a guarantee by the Guarantor) or otherwise modify the terms of the Loan Notes.

Fiscal Agent, Paying Agent and Calculation Agent

Bank of New York Mellon, acting through its London branch

Governing Law

The Loan Notes and the Guarantee will be governed by the laws of Switzerland.

RISK FACTORS

An investment in the Loan Notes involves risks. Prospective investors of Loan Notes should carefully consider the following risk factors and the other information in this Information Memorandum before making an investment decision. Any of the risk factors could impact the business, financial conditions or operating results of the Issuer, the Guarantor and all the Guarantor's other direct and indirect subsidiaries taken as a whole.

The Issuer and the Guarantor believe that the following factors may affect their respective ability to fulfil their respective obligations under the Loan Notes. All of the factors are contingencies which may or may not occur and neither the Issuer nor the Guarantor is in a position to express a view on the likelihood or severity of any such contingency occurring. Factors which the Issuer and the Guarantor believe may be material for the purpose of assessing the market risks associated with the Loan Notes issued are also described below.

The Issuer and the Guarantor believe that the factors described below represent the principal risks inherent in investing in the Loan Notes, but the Issuer and, under the Guarantee, the Guarantor may be unable to pay interest in connection with the Loan Notes for other reasons and neither the Issuer nor the Guarantor represents that the statements below regarding the risks of holding the Loan Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Information Memorandum and reach their own views prior to making any investment decision.

Risks related to the Swiss Life Group

Market and business related risks

Risks from insurance business

Swiss Life Group maintains reserves for its life insurance business to cover its liabilities. Such insurance reserves depend on various factors, assumptions and uncertainties (see: "Risks associated with Swiss Life Group's calculations and assumptions"). While Swiss Life Group believes its economic risk is reduced by the matching of durations of assets and liabilities under its asset and liability management ("**ALM**"), mandatory, guaranteed or other applicable interest rates may not change in line with market yields and may result in sudden changes in the reported amounts even if there was no corresponding change in investment yields and the value of assets. Moreover, changes in mortality, morbidity, longevity and other biometric assumptions may have a significant impact on annuity and other reserves. Loss reserves also do not represent an exact calculation of ultimate liabilities, but rather are estimates of the expected liabilities. Furthermore, disability and other reserves depend on regulatory requirements as well as other factors, which may cause actual liabilities to differ from estimates. Like-

wise, annuity reserves may change significantly due to regulatory and legal changes and other factors.

Any insufficiencies in loss reserves for future claims and any change in reserves required as a result of changes in interest rates, biometric assumptions or other factors including regulatory changes could adversely affect the extent to which new business may be originated and could have material adverse effects on Swiss Life Group's business, financial condition and results of operations.

Reinsurance risks

Swiss Life Group systematically transfers its exposure to certain risks in its life, health and property and casualty insurance business to third parties through reinsurance arrangements. Under these arrangements, other (re)insurers assume a portion of Swiss Life Group's losses and expenses associated with reported and unreported losses in exchange for a portion of policy premiums.

The availability, amount and cost of reinsurance depend on general market conditions and may vary significantly from time to time. Any decrease in the amount of Swiss Life Group's ceded reinsurance will increase its risk of losses. When it obtains reinsurance, Swiss Life Group could still be liable for those transferred risks, in particular if the reinsurer cannot meet its obligations. Accordingly, Swiss Life Group bears credit risk with respect to its reinsurers and could be faced with their inability or unwillingness to meet their financial obligations when falling due. Although Swiss Life Group conducts periodic reviews of the financial statements and reputations of its reinsurers, and, when appropriate, requires letters of credit, deposits or other financial collaterals to further minimise its exposure to credit risk, reinsurers may become financially unsound by the time they are called upon to pay amounts due.

If the terms and conditions of such reinsurance contracts deteriorate in the future, if certain protection layers are no longer available on the market, or if individual reinsurers should become unable or unwilling to meet their payment obligations when falling due, this could have material adverse effects on Swiss Life Group's business, financial condition and results of operations.

Risks of interest rate and credit spread changes

Changes in prevailing capital market interest rates (including changes in the difference between the levels of prevailing short- and long-term rates) may adversely affect Swiss Life Group's insurance, asset management and corporate results despite the structured approach towards ALM that Swiss Life Group is pursuing. Over the past several years, movements in both short- and long-term interest rates have affected the level and timing of recognition of gains and losses on securities held in Swiss Life Group's investment portfolios. An increase in interest rates could substantially decrease the value of Swiss Life Group's fixed-income portfolio, and any unexpected change in interest rates could materially adversely affect Swiss Life Group's bond and interest rate derivative positions as well as the investment result. Results of Swiss Life Group's asset management

business may also be affected by movements in interest rates, as management fees are generally based on the value of assets under management, which fluctuates with changes in the level of interest rates.

In addition, Swiss Life Group has a significant portfolio of contracts with guaranteed investment returns, including endowment and annuity products. If interest rates remain on historically low levels for a long period, Swiss Life Group could be required to provide additional funds to its insurance subsidiaries to support their obligations in respect of products with higher guaranteed returns, or increase reserves in respect of such products. Swiss Life Group also has a portfolio of contracts with guaranteed investment returns tied to equity markets.

Swiss Life Group invests part of its assets in corporate bonds and is therefore exposed to credit spread risks to the extent that a credit spread widening decreases the market value of the corporate bond portfolio. Spread movements may adversely impact the valuation reserves of bonds classified as available for sale, and therefore Swiss Life Group's solvency position. From an economic perspective, in particular for economic solvency purposes, all corporate bonds are considered at their market value and thus market value changes due to a change in spreads have an impact on Swiss Life Group's available economic capital. Moreover, the market value of corporate bonds may become difficult to ascertain if markets are less liquid or lack liquidity which may also affect Swiss Life Group's ability to dispose of such investments on favourable terms or at all.

In addition, Swiss Life Group invests a part of its assets in government and sovereign bonds and similar instruments. Therefore, Swiss Life Group is exposed to the risk that credit spread widens, for instance, due to downgrades or possible downgrades of the respective government or sovereign ratings. Government and sovereign credit spread widening leads to a decrease of the market value of the government and sovereign bond portfolio.

Reductions in the investment income below the rates prevailing at the issue date of the policy, or below the regulatory minimum required rates in countries such as Switzerland and Germany, would reduce or eliminate the investment margins on the life insurance business written by Swiss Life Group's life subsidiaries to the extent the duration composition of the assets does not match the duration composition of the insurance obligations they are backing.

Rising interest rates could lead to increased surrenders of policyholders with subsequent impacts on Swiss Life Group's current year and future profitability.

Any of the aforementioned risks could have material adverse effects on Swiss Life Group's business, financial condition and results of operations.

Currency risks

As a group with international operations, Swiss Life Group generates a certain portion of its total income and incurs a portion of its expenses in currencies other than CHF, which primarily include EUR, USD, GBP and SGD. Swiss Life Group

prepares its consolidated financial statements in CHF. Swiss Life Group's expenses and income in a certain currency do not necessarily match for any given period. As a result, unfavourable movements in exchange rates between such currencies and CHF may lead to differences between the costs of Swiss Life Group's operations and the income generated from them at a different stage. Furthermore, there may be currency mismatches between the policyholder liabilities and the assets backing them.

Fluctuations in the exchange rates of the currencies of the countries in which Swiss Life Group operates may generally lead to transaction risks and translation risks.

Transaction risk refers to the exchange rate risk associated with the time delay between the entrance and settlement of a contract, while translation risk refers to the risk of a change in value in the currency in which the financial statements are maintained, resulting from the translation of positions in the balance sheet and income statement originally expressed in a foreign currency during the course of consolidation.

Swiss Life Group may enter into transactions aiming to hedge currency risks. Such transactions may reduce currency risks but may in turn increase other risks such as liquidity risks, counterparty risks and operational risks.

The realisation of any of the aforementioned risks could have material adverse effects on Swiss Life Group's business, financial condition and results of operations.

Counterparty risks

Swiss Life Group has monetary and securities claims under numerous transactions against reinsurers, brokers and other debtors. Such third-party debtors may not pay or perform under their obligations. These parties include the issuers whose securities are held by Swiss Life Group, borrowers under loans made, customers, trading counterparties, counterparties under swaps, credit default and other derivative contracts, clearing agents, exchanges, clearing houses and other financial intermediaries. As a result, defaults by one or more of these parties on their obligations due to bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure or other reasons, or even rumours about potential defaults by one or more of these parties or regarding the financial services industry generally, could lead to losses or defaults by Swiss Life Group. In addition, with respect to secured transactions, Swiss Life Group's credit risk may be exacerbated when the collateral held by it cannot be realised or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure. This could have material adverse effects on Swiss Life Group's business, financial condition and results of operations.

Risks relating to Swiss Life Group's distribution partners

Swiss Life Group's business focuses on providing comprehensive life, pensions and financial solutions. In its core markets of Switzerland, France and Germany, Swiss Life Group offers comprehensive and individual advice plus a broad range of own and partner products through, among other chains, distribution partners (such as brokers and banks).

If a significant number of these distribution partners were to terminate their distribution agreements with Swiss Life Group, or if the terms of such distribution agreements were to change to Swiss Life Group's detriment, it may lose a material portion of the business provided by such distribution partners. This could have material adverse effects on Swiss Life Group's business, financial condition and results of operations.

Risks of fluctuations in the financial markets and changes in general economic conditions

Investment returns are an important part of Swiss Life Group's overall profitability. Fluctuations in the financial markets, including equity markets and fixed income markets, as well as interest rate and spread rate movements (see: "Risk of interest rate and credit spread rate changes") could have material adverse effects on Swiss Life Group's financial condition, results of operations and cash flows. In addition, a default by a major market participant or a significant act of terrorism or other large-scale events could disrupt the securities markets or clearance and settlement systems in major markets which could in turn cause market declines or increased volatility. The failure of a major market participant could also lead to a chain of defaults that could adversely affect Swiss Life Group.

Changes in the economic conditions and markets, in particular rising interest rates, could adversely affect the real estate markets, which could have a negative impact on Swiss Life Group's real estate portfolio. In worsening economic circumstances, which may be driven by global macro-economic developments, domestic economic or political events (e.g. public votes), or other effects, the vacancy rates may increase which reduces the expected future cash inflows from rents accordingly, and hence may lower the valuation of individual properties substantially. Similarly, higher interest rates and an increase in unemployment rates lead to potential defaults of clients and third parties on mortgages.

Fluctuations in stock markets could have an adverse impact on the valuation of Swiss Life Group's holdings in equities, which could result in a deterioration of Swiss Life Group's financial position and net income. Declining equity markets may also affect Swiss Life Group's results of operations, as fees from insurance business on third-party accounts are generally based on the value of the underlying funds, which fluctuate to a large extent with changes in equity markets. Hedges in place with respect to Swiss Life Group's investments are designed to reduce Swiss Life Group's economic exposure to declines in asset values but would not prevent an impairment charge in the Issuer's accounts in the event

the impairment criteria under the International Financial Reporting Standards ("**IFRS**") were met.

Swiss Life Group's equity investments are subject, to the extent that they are sold, to the risk that they will be sold for less than their value in Swiss Life Group's accounts, and that Swiss Life Group will recognise a loss. To the extent that such equity investments are not sold, and their value decreases, Swiss Life Group may be required to write-off a portion of the book value of such equity investments through its profit and loss accounting.

Swiss Life Group's strategic shareholdings, participations, and other intangible assets are subject to regular impairment tests, taking into account their operating performance, as well as general economic conditions and forecasts. Potential valuation readjustments could lead to impairment losses adversely affecting Swiss Life Group's financial results.

For diversification purposes Swiss Life Group also holds a certain amount of alternative investments in its portfolio, in particular participations in private equity (including infrastructure investments) and hedge funds. Market volatility has impacted and may continue to impact both the level of net investment income from these types of investments and the ability to dispose of such investments on favourable terms or at all.

Any of the risks mentioned above could have material adverse effects on Swiss Life Group's business, financial condition and results of operations.

Risks associated with Swiss Life Group's calculations and assumptions

Swiss Life Group's business operations and risk management require complex models under which it needs to properly reflect the value of its business and an adequate allowance for risks associated with it. This includes a constant assessment of numerous factors, such as the long-term development of interest rates, investment returns, the allocation of investments between equity, fixed income and other categories, policyholder interest and crediting rates (some of which are guaranteed) and the overall approach to policyholder participation, mortality, morbidity and longevity rates, policyholder lapses and future expense levels. Swiss Life Group monitors its actual experience regarding these assumptions and to the extent that it considers that this experience will continue in the longer term it refines its long-term assumptions.

The actuarial practices and assumptions listed above are, among other factors, the basis for (i) Swiss Life Group's embedded value reporting in accordance with the Market Consistent Embedded Value ("**MCEV**") Principles published by the European Insurance CFO Forum, (ii) its "best estimate" actuarial assumptions under the IFRS liability adequacy testing, (iii) capital and other requirements under the Swiss Solvency Test ("**SST**") or Solvency II, (iv) the calculation of insurance premiums and reserves, and (v) Swiss Life Group's own pension obligations.

In any of the aforementioned cases Swiss Life Group needs to rely on its own assumptions and estimates when operating its risk analysis and risk management systems. The assumptions used may differ from actual developments in the future. Adjustments in such assumptions may have to be made in reaction to revised legal and regulatory requirements, changing financial markets or expected future actuarial experience, which may lead to changes in the MCEV and the solvency position as well as the accounting of, and reserves required for, Swiss Life Group's insurance operations.

Certain risks are non-hedgeable and even with hedgeable risks there is a residual risk that hedging arrangements concluded by Swiss Life Group do not or only partially cover such risks. Also, Swiss Life Group could experience that its initial risk assessment, risk allowance or reserves prove to be inadequate at a later stage.

The realisation of any of the aforementioned risks could have material adverse effects on Swiss Life Group's business, financial condition and results of operations.

Risks of rating downgrades and other negative rating actions

Many of Swiss Life Group's businesses are dependent on the financial strength and credit ratings assigned to it and its businesses (including outlooks). Therefore, a downgrade in its ratings (or any other negative rating actions such as a change in the outlook) may materially adversely affect relationships with customers and intermediaries, negatively impact sales of its products and increase its cost of borrowing and of reinsurance.

Claims paying ability and financial strength ratings are each a factor in establishing the competitive position of insurers. The financial strength rating of the Issuer has a significant impact on the individual ratings of key subsidiaries. If a rating of certain Swiss Life Group entities falls below a certain threshold, the respective operating business of these entities or other Swiss Life Group entities may be significantly affected. A negative rating action with respect to SL Holding or any of its insurance subsidiaries, including in particular the Issuer as the main operating subsidiary, could, among other things, adversely affect relationships with customers, agents, brokers and other distributors of its products and services, thereby negatively affecting new sales and existing business, adversely affect its ability to compete in the relevant markets and increase the cost of borrowing. In particular, in those countries where primary distribution of its products is done through independent partners, such as Germany, future negative rating actions could adversely impact sales of life insurance and annuity products.

Any future negative rating action could also materially adversely affect Swiss Life Group's cost of raising capital, and could, in addition, give rise to additional financial obligations or accelerate existing financial obligations which are dependent on maintaining specified rating levels. Rating agencies can be expected to continue to monitor Swiss Life Group's financial strength and claims paying abil-

ity, and no assurances can be given that future negative rating actions will not occur, whether due to economic and financial market downturns, changes in Swiss Life Group's performance, changes in rating agencies' industry views, rating methodologies or criteria, or a combination of such factors.

Risks associated with the failure to maintain the value of the "Swiss Life" brand

One of the most valuable assets of the Swiss Life Group is the "Swiss Life" brand. The continued strength and recognition of the Swiss Life brand is a key factor in maintaining Swiss Life Group's competitive position. The Swiss Life brand could be harmed if its public image or reputation were to be tarnished by negative publicity, whether or not true, about Swiss Life or the insurance or financial services industry in general, or by a negative perception of Swiss Life's short-term or long-term financial prospects. Failure to maintain the value of the Swiss Life brand could have material adverse effects on Swiss Life Group's business, financial condition and results of operations.

Operational risks

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes and systems, people or from external events which adversely impact the operations of Swiss Life Group (excluding financial risks such as, *inter alia*, financial market risks and counterparty risks). In particular in view of the broad spectrum of operational risks, the realisation of one or more of these risks could damage Swiss Life Group's reputation and have material adverse effects on its business, financial condition and results of operations.

Risks associated with cyber attacks and other forms of criminal manipulation

Cyber attacks directed at Swiss Life Group's computer systems or networks and other forms of criminal manipulation could disrupt its businesses, result in the disclosure of confidential information, damage its reputation and have material adverse effects on Swiss Life Group's business, financial condition and results of operations.

Risks associated with the implementation of Swiss Life Group's strategy

The achievement of Swiss Life Group's strategic, operational and financial targets remains subject to uncertainty. Whilst the objectives for sustainable growth are subject to market demand fluctuations and competition, the ability to achieve a satisfactory performance in respect of the basic insurance result depends on pricing, the ability to control costs, claims figures, changes in reserves and the ability to generate insurance-related fee income. In addition to the basic insurance result, the investment result is an important factor in the profitability of Swiss Life Group's insurance operations. This result is driven by the returns achieved on the investment portfolio, which partially depends on capital markets condi-

tions, and on the guaranteed and non-guaranteed payments made to policyholders.

Besides the insurance business, Swiss Life Group aims to generate fee income through its advisory activities. The ability to generate such income depends on factors including quality of advisory, the ability to recruit advisors, reputation and the general economic conditions.

Furthermore, mergers, acquisitions, disposals and management re-organisations may result in Swiss Life Group incurring costs and using considerable management resources. It is also possible that as a result of any past or future mergers, acquisitions and disposals, Swiss Life Group may be subject to warranty, indemnity or other claims or to adverse tax or accounting charges.

The realisation of any of the aforementioned risks could have material adverse effects on Swiss Life Group's business, financial condition and results of operations.

Impairment Risk

If certain operational and strategic targets cannot be achieved in time, Swiss Life Group could be faced with impairment losses on its subsidiaries, associates and its other intangible assets. Swiss Life Group tests goodwill for impairment annually in autumn and whenever there is an indication that the asset might be impaired. The tests may lead to an impairment write-down of said assets.

The realisation of any of the aforementioned risks could have material adverse effects on Swiss Life Group's business, financial condition and results of operations.

Risks of competition and risks of general distress in the insurance market

Swiss Life Group operates in selected European and non-European markets and is faced with a competitive environment in these markets. Swiss Life Group's profitability is generally dependent on the level of demand for its products and services as a whole, and on its ability to control its risk profile and operating costs. While an important factor lies in Swiss Life Group's ability to offer competitive and attractive products and services, demand and competition in these markets are subject to changes in response to political or regulatory developments, general economic conditions, and other market conditions beyond the control of Swiss Life Group. As a consequence, Swiss Life Group may face margin or volume declines in the future.

In addition, individual regional and local competitive factors could in the future change to Swiss Life Group's disadvantage, significantly intensifying competition in certain regions or countries.

The realisation of any of the aforementioned risks could have material adverse effects on Swiss Life Group's business, financial condition and results of operations.

In addition, the implementation of Swiss Life Group's strategy as well as its operational and financial performance depend on the general conditions of the insurance industry. As a consequence, the deterioration of the insurance industry conditions, and in particular of the life insurance industry, for instance, due to sustained low or even negative interest rate levels, a change of the regulatory environment or a general distrust against the industry may have material adverse effects on Swiss Life Group's business, financial condition and results of operations.

Risks of additional capital needs in the future

Swiss Life Group's future capital requirements depend on many factors, including its operational results, capital market developments, developments of biometric bases, the volume of newly generated business, regulatory changes to capital or other requirements such as reserving requirements and other regulatory developments. Swiss Life Group may be unable to obtain additional capital in the future or may only obtain it at considerable costs, in particular in case of negative rating actions (see: "Risks of rating downgrades and other negative rating actions"). This could have material adverse effects on Swiss Life Group's business, financial condition and results of operations.

Liquidity risk

Liquidity risk may refer to (i) the risk that the available liquidity is insufficient to meet payment obligations in relation to insurance contracts or (ii) the risk that available liquidity is insufficient to meet payment obligations resulting from investment activities, in particular related to derivative contracts made on collateralised basis, such as those used for hedging activities (in particular, Swiss Life Group uses such instruments to hedge interest rate risk and foreign exchange risk) and forward contracts.

Unexpected events including mass surrenders, adverse moves in foreign-exchange rates or interest rates and a general decrease of liquidity of financial instruments might have material adverse effects on Swiss Life Group's liquidity situation, financial condition and results of operations.

Risks of unpredictable political, macro-economic and demographic influences

Swiss Life Group's future financial condition and results of operations, developments in its business, growth and profitability, and general industry and business conditions applicable to it may be adversely affected by unpredictable political, macro-economic and demographic influences.

In light of recent economic conditions in Europe, there is a possibility of certain Eurozone member states exiting the Eurozone which may cause the collapse of the Euro. A total break-up or an exit of certain member states could lead to a depression with high negative GDP growth, mass unemployment and high volatility of currencies. A collapse of the European banking system as a result of a Euro break-up and a return to operating in a European business environment of multiple currencies would result in significant market dislocation, which would have a negative impact on Swiss Life Group.

Likewise, macro-economic disruptions can lead to a sudden increase in inflation, which may be followed by surrender rates higher than currently expected or result in a deflationary phase induced by a strong recession, which could harm Swiss Life Group's ability to achieve the needed investment return and to generate profitable new business.

Any of the foregoing risks could have material adverse effects on Swiss Life Group's business, financial condition and results of operations.

Hence, the forward-looking statements made in this Information Memorandum are subject to a number of risks, uncertainties, and assumptions that may cause the actual results, performance or achievements of Swiss Life Group or those of its industry to be materially different from or worse than those expressed in these forward-looking statements.

Regulatory, legal and tax-related risks

Risks due to regulatory or legal changes

Swiss Life Group's businesses are subject to detailed, comprehensive laws and regulations as well as close supervision in all the countries in which it operates. Changes in existing laws and regulations and their interpretation may affect the way in which Swiss Life Group conducts its business and the products it may offer. Changes in regulations relating to pensions and employment, social security, financial services including reinsurance business, taxation, securities products and transactions may necessitate the restructuring of its activities, impose increased costs and thereby, or otherwise, could have material adverse effects on Swiss Life Group's insurance and asset management businesses.

In addition, Swiss Life Group, like many other financial institutions, has come under greater regulatory scrutiny in recent years and expects similar conditions to continue for the foreseeable future. Regulatory agencies have broad administrative power over many aspects of the financial services business, which may include liquidity, capital adequacy, permitted investments, ethical issues, "know your customer" and anti-money laundering rules, privacy, record keeping, marketing and selling practices as well as employee compensation, conduct of business and product governance requirements. Banking, insurance and other financial services laws, regulations and policies currently governing Swiss Life Group may change at any time in ways which have an adverse effect on its business, and Swiss Life Group cannot predict the timing or form of any future regulatory

or enforcement initiatives in respect thereof. Also, regulators and other supervisory authorities in Switzerland, the European Union, Liechtenstein, Singapore, the United States and elsewhere continue to scrutinise payment processing and other transactions under regulations governing such matters as money-laundering, prohibited transactions with countries subject to sanctions, tax evasion and bribery or other anti-corruption measures. Despite Swiss Life Group's best efforts to comply with applicable regulations, there are a number of risks in areas where applicable regulations may be unclear or where regulators revise their previous guidance or courts overturn previous rulings. Regulators and other authorities have the power to bring administrative or judicial proceedings against Swiss Life Group, which could result, among other things, in significant adverse publicity and reputational harm, suspension or revocation of licenses, cease-and-desist orders, fines, civil penalties, criminal penalties or other disciplinary action.

In Switzerland, the Issuer and its Swiss subsidiaries are supervised by the Swiss Financial Market Supervisory Authority FINMA ("**FINMA**"). Foreign insurance subsidiaries of Swiss Life Group are supervised by their relevant local regulators. In addition, the entire Swiss Life Group is subject to group supervision of FINMA.

In the European Union and Switzerland, reforms have been undertaken to modernise and strengthen the capital requirements of insurance companies and insurance groups. These reforms may lead to an increase in regulatory capital requirements. In Switzerland, insurers are required to hold sufficient risk bearing capital in order to cover their target capital under the SST which may be more stringent than the requirements in the European Union and other jurisdictions. This may put Swiss Life Group at a competitive disadvantage compared with companies based outside of Switzerland.

The risk models used by Swiss Life Group for the SST have been partially approved with conditions ("*Auflagen*") until end of 2015 by FINMA. Uncertainties exist as to certain risk and valuation models which are yet to be approved and the quantification of the resulting risks and valuations as well as the calibration, calculation and interpretation of the respective results. In particular, the outcome of the discussions with FINMA with respect to the not yet approved modules cannot yet be determined. Accordingly, depending on the outcome, additional capital of Swiss Life Group may be required, which could require changes to Swiss Life Group's business and may lead to additional expense or otherwise adversely affect Swiss Life Group's financial or solvency position.

In Europe, Solvency II is scheduled to become effective on 1 January 2016 and will contain the additional Omnibus II Directive of 22 May 2014. The detailed rules of the Solvency II regime are contained in the finalised Delegated Acts (dated 10 October 2014) adopted by the European Commission. The European Insurance and Occupational Pensions Authority ("**EIOPA**") has issued preparatory guidelines which provide for the early implementation of certain requirements in the areas of governance, Own Risk and Solvency Assessment (ORSA), regulatory reporting and pre-application for internal models as per 1 January 2014. In such preparatory phase, annual quantitative reporting templates and narrative

reporting for the year 2014 and quarterly quantitative reporting templates for the third quarter of 2015 must be submitted to the respective regulators.

Technical standards and guidelines issued by EIOPA consist of regulatory and implementing technical standards that concern purely technical matters (no strategic decisions or policy choices) and require the expertise of supervisory experts. They are aimed to be adopted by the Commission based on drafts submitted by EIOPA. During the year 2015 additional technical standards and guidelines papers are expected. The overall goal of these technical standards is to deliver the regulatory and supervisory framework for the technical implementation of Solvency II upon its entering into force.

Swiss Life Group runs a group-wide programme for the implementation of Solvency II. Its primary aim is to achieve Solvency II compliance for all subsidiaries and associates which are subject to the Solvency II regime.

The process of testing the equivalence of SST to Solvency II has been initiated, and it is expected that the European Commission will seek to complete the process before January 2016.

The outcome of the still open discussions with regulators with respect to both SST and Solvency II cannot yet be determined and thus could require additional capital of the Issuer and its subsidiaries, could require changes to the way in which Swiss Life Group carries out its business, could lead to additional expense or a competitive disadvantage vis-à-vis European competitors or could otherwise adversely affect Swiss Life Group's financial or solvency position.

Risks relating to the sustainability of Swiss Life Group's BVG business

Swiss Life Group's life insurance business in Switzerland based on the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (*Bundesgesetz über die berufliche Alters-, Hinterlassenen- und Invalidenvorsorge*, or "**BVG**") is subject to guaranteed minimum interest and annuity conversion rates. Swiss law provides for an annuity conversion rate which determines the amount of the annual retirement pension payable to an annuitant based on the contributions accumulated to the retirement date. For the mandatory part of Swiss Life Group's life insurance business in Switzerland, the legally stipulated conversion rate is applied whereas in the non-mandatory part of the BVG business a conversion rate calculated using actuarial assumptions is applied. Guaranteed minimum interest and annuity conversion rates could be imposed by the Swiss Federal Council in a manner which may diverge from the rates of return that Swiss Life Group is able to achieve on its assets. These minimum interest and annuity conversion rates are subject to annual changes and do not as yet follow a predictable formula consistent with the economic notion of a guarantee. The process for setting these rates is not predictable and the rates may from time to time diverge from the rates of return that Swiss Life Group is able to achieve on the assets backing such business.

In addition, while Swiss Life Group has some flexibility to reprice or restructure its products in response to such conditions or changes, the ability to implement a revised product offering is subject to a number of uncertainties and may not have immediate effect. For example, the current Swiss regulatory regime requires that approval must be sought from the regulator prior to the introduction of new tariffs. Also, the ability to implement a revised product offering is subject to customers' acceptance of the new terms.

Failure by Swiss Life Group to achieve a rate of return on its investments in excess of the statutory guaranteed minimum interest rate could adversely affect Swiss Life Group's financial condition and results of operations, as could changes in mortality, morbidity, longevity and other biometric assumptions, changes in technical interest rates not provided for in the statutory guaranteed annuity conversion rate, and any adverse change in the statutory guaranteed interest or annuity conversion rates. At the extreme, in the event of market deterioration or of the setting of the statutory guaranteed interest rate or the statutory guaranteed annuity conversion rate at certain levels, Swiss Life Group may be unable to write profitable group life insurance business in Switzerland.

Risks due to legal quote restrictions in Switzerland and similar regulations in other jurisdictions

Some of Swiss Life Group's life insurance business is affected by so called legal quote restrictions. Such legal quote restricts Swiss Life Group's ability to allocate surplus to its shareholders and may affect its debt servicing capacity, including the Issuer's ability, to meet interest payment obligations under the Loan Notes, if any. Under certain circumstances, the legal quote may affect the profitability of other Swiss Life Group subsidiaries that provide services to the insurance life business. The "legal quote" limits Swiss Life Group's flexibility in a way which, in certain market conditions, could have a negative impact on its future profitability and the value of new and existing business.

The Swiss BVG legal quote mechanism introduced in 2004 is regularly subject to political and public discussions. There can be no assurance that the current BVG legal quote regime will remain unchanged in the future. Unfavourable changes to it or to comparable regulations in other countries in which Swiss Life Group operates could adversely affect the profitability of Swiss Life Group.

While Swiss Life Group believes that the legal quote restrictions reduce the sensitivity of its results (after policyholder participation) to changes in the BVG guaranteed minimum interest rate or the mandatory conversion rate, the profitability of Swiss Life Group's BVG business and Swiss Life Group's ability to maintain and increase its premium volume and market share could both be adversely affected if the levels of, or changes in, either of these rates do not reflect the prevailing economic, market or other conditions relevant for such products.

Risks in connection with changes in tax laws

Swiss Life Group's net income and cash flows are determined to a certain extent by current taxation, regulation and application thereof by tax authorities. In addition, changes to tax laws may affect the attractiveness of certain of Swiss Life Group's products that currently receive favourable tax treatment. Governments in jurisdictions in which Swiss Life Group does business may consider changes to tax laws that could adversely affect such existing tax advantages, and if enacted, could result in a significant reduction in the sale of such products. The realisation of any of the aforementioned risks could have material adverse effects on Swiss Life Group's business, financial condition and results of operations.

Potential changes to International Financial Reporting Standards as issued by the International Accounting Standards Board may adversely affect the consolidated results of the Guarantor and its financial condition

The consolidated financial statements of Swiss Life Group are prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("**IASB**"). In 2014, the IASB published the final version of the IFRS 9 Standard, which will replace the current IAS 39 Standard regarding classification and measurement of financial instruments. This change is expected to affect the way the consolidated financial position and results of Swiss Life Group's operations are reported upon and measured. Furthermore, in March 2004, the IASB introduced a framework for reporting insurance contracts ("**IFRS 4**"), described as Phase I, which, except for selected exceptions, basically allowed the continuation of existing practices for reporting insurance contracts and associated policyholder liabilities that existed before January 2005. In June 2013, the IASB published a revised Exposure Draft of proposals for the accounting for insurance contracts building on the proposals formulated in the Exposure Draft published in July 2010, for its IFRS 4 Phase II on insurance contracts. Phase II is expected to introduce significant changes to the way entities that prepare accounts in accordance with IFRS would report insurance contracts. The publication of the IFRS 4 Phase II reporting rules on insurance contracts is not expected to be published before the end of 2015. These changes are expected to affect significantly the way the consolidated financial position and results of Swiss Life Group's operations are reported upon and measured, the impact of which currently cannot be assessed.

Litigation risks

Subsidiaries of Swiss Life Group are involved in legal, arbitration and other formal and informal dispute resolution proceedings both as complainant and respondent. Legal disputes exist in the ordinary course of business.

The outcome of any of such proceedings cannot be determined in advance. Swiss Life Group is of the opinion that the currently pending proceedings should not have any significant detrimental effect on the assets and net income of Swiss Life Group. Nevertheless, this assessment may prove to be inaccurate and therefore

could have material adverse effects on Swiss Life Group's business, financial condition and results of operations.

Risks of failure to comply with laws and regulations

Swiss Life Group's business may be negatively affected by adverse publicity, regulatory actions or litigation with respect to Swiss Life Group, other well-known companies and the financial services industry in general. In particular Swiss Life Group's different distribution channels in the countries where it operate business (sales personnel, tied agents, brokers, banking channels, owned independent financial advisers ("**IFA**") and others) bear the risk of inefficiencies or litigation that arises from the failure or perceived failure by Swiss Life Group's sales representatives to comply with legal, regulatory or compliance requirements or their duty of care when advising clients. Legal sanctions, adverse publicity and damage to its reputation arising from such failure or perceived failure, financial reporting irregularities involving other large and well-known companies, increasing regulatory and law enforcement scrutiny of "know your customer", anti-money laundering and anti-terrorist-financing procedures and their effectiveness, regulatory investigations of the mutual fund, banking and insurance industries, and litigation that arises from the failure or perceived failure by subsidiaries of Swiss Life Group to comply with legal, regulatory and compliance requirements, could result in adverse publicity and reputational harm, lead to increased regulatory supervision, affect Swiss Life Group's ability to attract and retain customers, maintain access to the capital markets, result in lawsuits, enforcement actions, fines and penalties or have other adverse effects on Swiss Life Group in ways that are not predictable.

Risks related to the Loan Notes

Complexity of the Loan Notes as financial instrument

The Loan Notes are complex financial instruments and may not be suitable for all investors. Each prospective investor should (i) have sufficient knowledge and experience to make a meaningful evaluation of the Loan Notes, the merits and risks of investing in the Loan Notes and the information contained or incorporated by reference in this Information Memorandum; (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of the investor's particular financial situation, an investment in the Loan Notes and the impact the Loan Notes will have on the investor's overall investment portfolio; (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Loan Notes and (iv) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect the investor's investment and the investor's ability to bear the applicable risks.

Before investing in the Loan Notes, each prospective investor should have understood the Conditions thoroughly and be familiar with them and the content of this Information Memorandum.

The Loan Notes are subordinated obligations and will be subordinated to all the Issuer's present and future unsubordinated indebtedness

The Loan Notes are by their terms subordinated in right of payment to (i) all current and future unsubordinated indebtedness of the Issuer, in particular claims of creditors who are policyholders and (ii) all current and future claims which are or are expressed to be, subordinated to the claims of policyholders and other unsubordinated creditors of the Issuer except for claims that rank or are expressed to rank, equally with or junior to the claims of the Loan Noteholders under the Loan Notes.

If any judgment is rendered by any competent court declaring the judicial liquidation of the Issuer or if the Issuer is liquidated for any other reason, the rights of payment of the Loan Noteholders shall rank in priority only to any payments to holders of shares of the Issuer or any other securities issued by the Issuer which rank or are expressed to rank junior to the claims of the Loan Noteholders. In the event of incomplete payment of unsubordinated creditors, the obligations of the Issuer in connection with the Loan Notes will be terminated. The Loan Notes may pay a higher rate of interest than comparable Loan Notes which are not subordinated, but there is a significant risk that an investor in the Loan Notes will lose all or some of its investment should the Issuer become insolvent.

No events of default and limited acceleration rights

There are no events of default in respect of the Loan Notes and Loan Noteholders are only entitled to claim redemption of the principal amount of the Loan Notes in case of the Issuer's bankruptcy, dissolution and/or liquidation. Loan Noteholders have limited acceleration rights (as described in Condition 12). In particular, Loan Noteholders are not entitled to file for the opening of bankruptcy proceedings (*Konkursverfahren*) or to make other filings or motions which, if approved, will lead to a redemption of the Loan Notes. Rights of the Loan Noteholders in bankruptcy proceedings (*Konkursverfahren*) or any form of composition with creditors (*Nachlassverfahren*) in relation to the Issuer are limited.

The Loan Notes have no scheduled maturity

The Loan Notes are perpetual obligations and have no fixed redemption or maturity date. The Issuer is under no obligation to redeem the Loan Notes at any time. Subject to the conditions set out in Condition 5.5, in particular, the prior written approval from the Regulator, the Loan Notes may be redeemed in whole (but not in part) at the option of the Issuer on the First Call Date or on any subsequent Interest Payment Date thereafter or, upon occurrence of a Special Early Redemption Event (as specified in the Conditions), at any time subject to having given not less than 30 and not more than 60 calendar days' prior notice. There can be no assurance, however, that the Issuer will opt to redeem the Loan Notes. Prospective investors should be aware that they may be required to bear the financial risks of an investment in the Loan Notes for an indefinite period of time.

The Issuer may redeem the Loan Notes under certain circumstances

Subject to the conditions set out in Condition 5.5, in particular, the prior written approval from the Regulator, the Loan Notes may be redeemed at the option of the Issuer (i) in whole (but not in part) on the First Call Date and on any subsequent Interest Payment Date thereafter; or (ii) in whole (but not in part) at any time after the Issue Date following the occurrence of a Recalculation of Interest Event, a Tax Event, an Accounting Event, a Rating Agency Event or a Regulatory Event (each as defined in Condition 5). A change in law or regulation is not required in order for either a Tax Event or a Regulatory Event to occur; such Special Early Redemption Events may result from other events, including (without limitation) a change in the legal or regulatory status of the Issuer or the structure of the Group.

Such redemption options will be exercised at the principal amount of the Loan Notes together with interest accrued to the date of redemption plus Deferred Interest, if any. During any period when the Issuer may elect to redeem the Loan Notes, the market value of the relevant Loan Notes generally is not expected to rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may also be expected to exercise its call option to redeem the Loan Notes when its cost of borrowing is lower than the interest rate on the Loan Notes. There can be no assurance that, at the relevant time, Loan Noteholders will be able to reinvest the amounts received upon redemption at a rate that will provide the same return as their investment in the Loan Notes. Prospective investors should consider reinvestment risk in light of other investments available at that time.

The Issuer may, except in certain limited circumstances, elect to and, in certain circumstances, must defer payment of interest on the Loan Notes

The Issuer may elect not to pay any interest otherwise scheduled for payment on any Interest Payment Date which does not constitute a Solvency Interest Deferral Date or a Compulsory Interest Payment Date (such date to constitute an "**Optional Interest Payment Date**"), as more fully described in Condition 4.1. In addition, on any Interest Payment Date in relation to which a Solvency Event has occurred and is continuing at the relevant Reference Date (such date a "**Solvency Interest Deferral Date**"), the Issuer will be required to defer payment of interest, or as the case may be, the relevant Solvency Shortfall, as more fully described in Condition 4.2.

Any such non-payment will not constitute a default by the Issuer under the Loan Notes or for any other purpose and shall not give Loan Noteholders or the Agent any right to accelerate the Loan Notes or make demand under the Guarantee. Any interest not paid on an Optional Interest Payment Date and/or any Solvency Interest Deferral Date will constitute Deferred Interest as established in Condition 4.4. Deferred Interest does not bear interest and may be paid at the option of the Issuer in whole or in part, subject to the Regulator's approval and no Sol-

veny Event having occurred and being continuing, but will become due in full upon occurrence of certain events, all as more fully described in Condition 4.4.

Any actual, or anticipated, deferral of any interest payment in accordance with the Conditions will likely have an adverse effect on the market price of the Loan Notes.

While the deferral of interest payment continues, the Issuer is not prohibited from making payments on any instrument ranking senior to the Loan Notes. In such event, the Loan Noteholders are not entitled to claim immediate payment of the Deferred Interest.

No restriction from issuing further debt or guarantees which rank senior to or pari passu with the Loan Notes

There is no restriction on the amount of securities that the Issuer or the Guarantor may issue or guarantee that rank senior to or pari passu with the Loan Notes or to the Guarantee. The issue or guarantee of any securities may reduce the amount recoverable by the Loan Noteholders on a liquidation, dissolution, insolvency, composition or other proceeding for the avoidance of insolvency of, or against, the Issuer or the Guarantor, or may increase the likelihood that the issuer may elect to defer payments of interest under the Loan Notes. Consequently, the Loan Noteholders could suffer direct and materially adverse consequences, including the loss of all or part of interest and principal.

Loan Noteholders have no remedies against asset disposals and dividend payments and other distributions by the Issuer or Guarantor

The Conditions do not prohibit the Issuer or the Guarantor to dispose of any of its assets nor do the Conditions provide for any restrictions in the payment by the Issuer or the Guarantor of dividends in cash or any other manner. The sole consequence of a payment of dividends by the Issuer or the Guarantor is that any interest payment in respect of the Loan Notes scheduled during the six months period following the declaration of such dividend payment, together with Deferred Interest Payments, if any, may become compulsory under the Conditions.

No covenants concerning operations of the Issuer and the Guarantor and no transaction limitations

The Loan Notes do not contain covenants governing the operations of the Issuer or the Guarantor and do not limit the ability of the Issuer or the Guarantor to enter into a merger, asset sale or other significant transaction that could materially alter their existence, jurisdiction of organisation or regulatory regime and/or the composition and business of the Swiss Life Group. In the event the Issuer or the Guarantor would enter into such a transaction, Loan Noteholders could be materially and adversely affected.

Value of the Loan Notes

The market value of the Loan Notes will be affected by many factors, most of which are beyond the Issuer's control, such as the creditworthiness (as may be expressed by a rating assigned by a rating agency) of the Issuer, and/or that of Swiss Life Group, the rating of the Loan Notes, the Issuer's required solvency margin from time to time, and a number of additional factors including market interest and yield rates. The price at which a Loan Noteholder will be able to sell the Loan Notes may be at a discount, which could be substantial, from the issue price or the purchase price paid by such Loan Noteholder. Furthermore, due to future money depreciation (inflation), the real yield of an investment may be reduced.

Investors are exposed to risks associated with fixed interest rate securities.

A holder of securities with a fixed interest rate is exposed to the risk that the price of such securities falls as a result of increasing market interest rates. While the interest rate of the Loan Notes is fixed until (and including) the First Call Date, the interest rates in the capital markets (market interest rates) typically change on a daily basis. As the market interest rate changes, the price of the Loan Notes changes typically in the opposite direction. If the market interest rate increases, the price of the Loan Notes would typically fall and if the market interest rate falls, the price of the Loan Notes would typically increase. Therefore, Loan Noteholders should be aware that movements of the market interest rate can adversely affect the price of the Loan Notes and can lead to losses if Loan Noteholders sell their Loan Notes during the period in which the compensation rate of the Loan Notes is fixed, i.e., prior to the First Call Date.

Investors may be exposed to risks associated with floating interest rate securities.

If the Loan Notes are not called by the Issuer on the First Call Date, interest on the Loan Notes will accrue thereafter at a floating rate. A holder of a security with a floating interest rate (as will be the case for the Loan Notes after the First Call Date if not previously redeemed) is exposed to the risk of fluctuating interest rate levels and uncertain interest income. Fluctuating interest rate levels of a security make it impossible to determine the yield of such security in advance.

Loan Noteholders may be subject to exchange rate risks and exchange controls.

The Issuer will pay principal and interest on the Loan Notes in Euro. This presents certain risks relating to currency conversions if a Loan Noteholder's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange

controls. An appreciation in the value of the Investor's Currency relative to the Euro would decrease the Investor's Currency-equivalent yield on the Loan Notes, the Investor's Currency equivalent value of the principal payable on the Loan Notes and the Investor's Currency equivalent market value of the Loan Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Risks relating to the ratings on the Loan Notes

The ratings of the Loan Notes may not reflect the potential impact of all risks that may affect the value of the Loan Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. Rating agencies may also change their methodologies for rating securities with features similar to the Loan Notes in the future. If the rating agencies were to change their practices for rating such securities in the future and the ratings of the Loan Notes were to be subsequently lowered or another negative rating action taken, this may have a negative impact on the market price of the Loan Notes.

Risks relating to Swiss withholding tax

Although, subject to certain exceptions, Conditions 3.3 and 7(a) provide for the Recalculation of Interest and the payment of Additional Amounts, respectively, in the event that Swiss Withholding Tax is imposed on any payment made by the Issuer pursuant to the terms of the Loan Notes, the Issuer's obligation to pay such Additional Amounts or recalculate interest may be unenforceable under Swiss law.

In addition, on 17 December 2014 the Swiss Federal Council issued draft withholding tax legislation, which would include a change from the current issuer withholding tax system to a paying agent tax system. If enacted, such legislation may require a paying agent in Switzerland, such as for instance banks, to deduct the Swiss Federal Withholding Tax at a rate of 35%, subject to certain exceptions, on interest paid to, or credited to an account of, a beneficiary of a Loan Noteholder resident in Switzerland. If indeed such a tax were to be deducted or withheld with respect to (interest) payments under the Loan Notes by a paying agent in Switzerland, neither the Issuer nor a paying agent nor any other person would, pursuant to the Conditions of the Loan Notes, be obliged to pay additional amounts with respect to any Loan Note as a result of the deduction or imposition of such Swiss Federal Withholding tax.

Potential changes in EU Savings Tax legislation could impact Noteholders.

Under Council Directive 2003/48/EC of 3 June 2003 (as amended by Council Directive 2014/48/EU adopted by the European Council on 24 March 2014) on the

taxation of savings income (the "**EU Savings Directive**"), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. On 26 October 2004, the European Union and Switzerland entered into an agreement on the taxation of savings income pursuant to which Switzerland will adopt measures equivalent to those of the EU Savings Directive (the "**EU-Swiss Savings Tax Agreement**"). In accordance with the EU-Swiss Savings Tax Agreement and the Swiss law implementing it, Swiss paying agents, if any, have to withhold tax at a rate of 35% on interest payments made under the Loan Notes to a beneficial owner who is an individual and resident of an EU member state, with the option of the individual to have the paying agent and Switzerland provide to the tax authorities of the EU member state the details of the interest payments in lieu of the withholding. Neither the Issuer nor a paying agent nor any other person would, pursuant to the Conditions of the Loan Notes, be obliged to pay additional amounts with respect to any Loan Note as a result of the deduction or imposition of such withholding tax.

On 24 March 2014, the Council of the European Union adopted a Council Directive 2014/48/EU amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the EU Savings Directive, in particular to include additional types of income payable on securities. The EU Savings Directive will also apply a "look through approach" to payments made via certain persons, entities or legal arrangements (including trusts and partnerships), where certain conditions are satisfied, where an individual resident in a Member State is regarded as the beneficial owner of the payment for the purposes of the EU Savings Directive. Switzerland and the European Commission have commenced negotiations on certain amendments to the EU-Swiss Savings Tax Agreement, which may, if implemented, amend or broaden the scope of the requirements described above.

On 19 March 2015 Switzerland and the European Union initialled an agreement regarding the introduction of the global standard for the automatic exchange of information in tax matters ("**AEOI**"). The AEOI will replace the EU-Swiss Savings Tax Agreement that has been in force since 2005 and will apply for all 28 EU member states.

No legal and tax advice

Each prospective investor should consult its own advisers as to legal, tax and related aspects of an investment in the Loan Notes. A Loan Noteholder's effective yield on the Loan Notes may be diminished by the tax impact on that Loan Noteholder of its investment in the Loan Notes.

A Loan Noteholder's actual yield on the Loan Notes may be reduced from the stated yield by transaction costs.

Guarantor is a holding company

Because the Guarantor is a holding company whose primary assets consist of common stock or other equity interests in or amounts due from subsidiaries, its income is primarily derived from those subsidiaries. The subsidiaries of the Guarantor will have no obligation to pay any amount or perform in any respect under the Guarantee. The payment of dividends by many of the Guarantor's subsidiaries is subject to various solvency requirements and other regulatory restrictions. Restrictions on the ability of the Guarantor's subsidiaries to pay dividends or to make other cash payments may materially affect its ability to meet its obligations with respect to the Guarantee.

As an equity holder, the Guarantor's ability to participate in any distribution of assets of any subsidiary is subordinated to the claims of creditors of the subsidiary, except to the extent that any claims the Guarantor may have as a creditor of the subsidiary are judicially recognised. If these sources are not adequate, the Guarantor may be unable to meet its obligations with respect to the Guarantee.

Substitution and variation of the terms of the Notes, or substitution of the Issuer, upon the occurrence of a Gross-up Event, Deductibility Event, Regulatory Event or Rating Methodology Event

If a Special Early Redemption Event has occurred and is continuing, then the Issuer may, subject to Condition 14 (without any requirement for the consent or approval of the Loan Noteholders) at any time vary the terms of the Loan Notes, substitute the Loan Notes for other securities (which may or may not be regulatory capital securities) or substitute the Issuer so that the relevant event no longer exists after such modification or substitution. Whilst the modified Loan Notes must have terms not materially less favourable to Loan Noteholders than the terms of the Loan Notes as determined by the Issuer in its sole discretion, there can be no assurance that, due to the particular circumstances of each Loan Noteholder, such modified Loan Notes will be as favourable to each Loan Noteholder in all respects. Moreover, the Issuer may substitute itself in respect of all rights and obligations arising out or in connection with the Loan Notes with a successor issuer. Whilst, among other conditions, the rights of the Loan Noteholders, as provided in the Loan Notes and the Guarantee, must not be materially prejudiced, the substitution of the Issuer under the Loan Notes could have material adverse effects on the Loan Noteholders. The original issuer would not be required to provide a guarantee of the Loan Notes in such circumstances. See also "*Guarantor is a holding company*" above.

Modification, waivers and substitution

The Swiss Code of Obligations contains provisions for calling meetings of Loan Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Loan Noteholders including Loan Noteholders who did not attend and vote at the relevant meeting and Loan Noteholders who voted in a manner contrary to the majority.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each prospective investor should consult its legal advisers to determine whether and to what extent (i) the Loan Notes are lawful investments for it, (ii) the Loan Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Loan Notes.

Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Loan Notes under any applicable risk-based capital or similar rules.

TERMS AND CONDITIONS OF THE LOAN NOTES

The terms and conditions of the Loan Notes (each a **Condition**, and together the **Terms of the Loan Notes**), issued by Swiss Life AG (the **Issuer**), and unconditionally and irrevocably guaranteed on a subordinated basis by Swiss Life Holding AG (the **Guarantor**), will be issued subject to and with the benefit of an agency agreement, dated 16 June 2015 between the Issuer, the Guarantor and the agents named therein (the **Agency Agreement**). The Terms of the Loan Notes govern the rights and obligations of the Issuer, the Guarantor and the Loan Noteholders in relation to the Loan Notes and are as follows:

1. Denomination, form and delivery of the Loan Notes

- (a) The Loan Notes are issued by the Issuer in the aggregate principal amount of EUR 750,000,000.
- (b) The Issuer reserves the right to reopen and increase the aggregate principal amount of the Loan Notes issued at any time and without prior consultation or permission of the Loan Noteholders through the issuance of further securities which will be fungible with the Loan Notes (i.e., identical especially in respect of the Terms of the Loan Notes, security number, final maturity and interest rate) so as to be consolidated and form a single series with such Loan Notes. The term Loan Notes shall, in the event of such further issue and increase, also comprise such further securities.
- (c) The Loan Notes are issued in certificated, registered form (*Namenpapiere*) (each a **Certificate**) and shall each bear the manual or facsimile signatures of two duly authorised officers of the Issuer as well as the manual signature of an authentication officer of the Registrar. A Certificate shall have such denomination as stated on its front page, but in no event less than EUR 100,000 and always in integral multiples of EUR 1,000 in excess thereof. Initially, only one Loan Note will be issued by the Issuer.
- (d) The Bank of New York Mellon (Luxembourg) S.A., or its duly appointed successor (the **Registrar**) will maintain a register (the **Register**) of the holders of record of the Loan Notes (the **Loan Noteholders**) reflecting the ownership of the Loan Notes. A Transfer of the Loan Notes shall only be made in accordance with and subject to Condition 9 (*Transfer and sub-participation*).

- (e) A Loan Noteholder may at any time require that the Issuer replaces such Loan Noteholder's Certificate representing the Loan Notes with other Certificates in minimum denominations of EUR 100,000 and always in integral multiples of EUR 1,000 in excess thereof; the Registrar shall accordingly authenticate such replacement Certificates and amend the Register.

2. Status of the Loan Notes

- (a) The Loan Notes constitute direct, subordinated, unsecured and perpetual obligations of the Issuer and rank pari passu, without any preference, among themselves. The claims of the Loan Noteholders rank on an insolvency, winding-up, liquidation, composition, dissolution (other than pursuant to a merger, consolidation or amalgamation with another entity where the resulting or surviving entity assumes all the obligations of the Issuer in respect of the Loan Notes) or other similar proceedings of or against the Issuer:
 - (i) after the claims of any Senior Creditors;
 - (ii) pari passu with any Parity Instruments; and
 - (iii) prior to the claims of the holders of all Junior Instruments.
- (b) **Parity Instruments** means (i) any preferred or preference shares of the Issuer ranking or expressed to rank pari passu with the Loan Notes (the **Parity Shares**), if any, (ii) guarantees by the Issuer (whether through an agreement or instrument labelled as a guarantee, as a support agreement, or with some other name but with an effect similar to a guarantee or support agreement) of preferred securities or preferred or preference shares issued by any of the Issuer's subsidiaries and ranking or expressed to rank pari passu with the Parity Shares, if any, (iii) the obligations of the Issuer under the 1999 floating rate subordinated perpetual loan callable in 2019 (private placement), (iv) the 2005 EUR 350,000,000 5% subordinated perpetual bonds callable in 2015 issued to J.P. Morgan Bank, Luxembourg (ISIN: XS0235535035), (v) the 2011 CHF 500,000,000 5.25% subordinated perpetual bonds callable in 2016 (ISIN: CH0122488445), (vi) the 2012 subordinated dated loan callable in 2022 with final maturity in 2042 (private placement), (vii) the 2012 CHF 300,000,000 5.5% subordinated perpetual bonds callable in 2018 (ISIN: CH0194695190) and (viii) any of the Issuer's future unsecured and subordinated obligations ranking or expressed to

rank pari passu with the Issuer's obligations under the Loan Notes.

- (c) **Junior Instruments** means (i) ordinary shares of the Issuer, (ii) preference shares of the Issuer ranking or expressed to rank junior to the Issuer's Parity Shares, and (iii) any other of the Issuer's securities or obligations ranking or expressed to rank junior to the Parity Instruments issued directly by it, including those under the 2007 EUR 590,000,000 5.849% subordinated perpetual bonds callable in 2017 issued to ELM B.V. (ISIN: XS0295383524).
- (d) **Senior Creditors** means creditors of the Issuer, (i) who are policyholders or other unsubordinated creditors of the Issuer, or (ii) whose claims are, or are expressed to be, subordinated (whether only in the event of the liquidation, dissolution or winding-up of the Issuer or otherwise) to the claims of policyholders and other unsubordinated creditors of the Issuer (including all existing and future unsecured, subordinated obligations of the Issuer (whether actual or contingent)), except those whose claims rank, or are expressed to rank, equally with or junior to the claims of the Loan Noteholders under the Loan Notes.
- (e) For the avoidance of any doubt, in the event of the liquidation, dissolution, insolvency, composition or other proceedings for the avoidance of insolvency of the Issuer no amounts shall be payable in respect of the Loan Notes until the claims of all unsubordinated and subordinated creditors of the Issuer, the claims of which rank, or are expressed to rank, senior to the Loan Notes shall have first been satisfied in full.
- (f) The subordination provisions of this Condition 2 (*Status of the Loan Notes*) are irrevocable.

3. Interest

3.1. Fixed Rate of Interest

- (a) The Loan Notes will bear interest on their aggregate principal amount from and including 16 June 2015 (the **Issue Date**) to but excluding the First Call Date at a rate of 4.375 per cent per annum (the **Fixed Rate of Interest**), payable annually in arrear on 16 June in each year (each a **Fixed Interest Payment Date**). The first Fixed Interest Payment Date shall be 16 June

2016 and the last Fixed Interest Payment Date shall be the First Call Date.

- (b) Interest in respect of the Loan Notes shall be calculated per EUR 1,000 principal amount (the **Calculation Amount**). The amount of interest payable per Calculation Amount for any Fixed Interest Period shall be equal to the product of the rate of 4.375 per cent, the Calculation Amount and the day count fraction as per section (c) below, rounding the resulting figure to the nearest cent (half a cent being rounded upwards).
- (c) Where it is necessary to compute an amount of interest in respect of any Loan Note for a Fixed Interest Period which is less than a complete year, the relevant day-count fraction shall be determined on the basis of the actual number of days elapsed in the relevant Fixed Interest Period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the actual number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last).
- (d) **Fixed Interest Period** means the period from and including the Issue Date to but excluding the first Fixed Interest Payment Date and thereafter from and including each Fixed Interest Payment Date to but excluding the next following Fixed Interest Payment Date.

3.2. Floating Rate of Interest

- (a) The Loan Notes will bear interest at the rate specified in section (d) of this Condition 3.2 (*Floating Rate of Interest*) (the **Floating Rate of Interest**) on their aggregate principal amount from and including the First Call Date to but excluding the first Floating Interest Payment Date (which is 16 September 2025) and thereafter from and including each Floating Interest Payment Date to but excluding the next following Floating Interest Payment Date (each such period a **Floating Interest Period** and, together with any Fixed Interest Period, an **Interest Period**). Interest on the Loan Notes will be payable in arrear on each Floating Interest Payment Date.
- (b) **Floating Interest Payment Date** means subject to section (c) of Condition 6 (*Payments*) below, 16 March, 16 June, 16 September and 16 December in each year (and, together with any Fixed Interest Payment Date, an **Interest Payment Date**); if any Floating Interest Payment Date would otherwise fall on a

calendar day which is not a Business Day, it shall be postponed to the next calendar day which is a Business Day unless it would then fall into the next calendar month, in which event the Floating Interest Payment Date shall be brought forward to the immediately preceding Business Day.

- (c) **Business Day** means a day (other than a Saturday or Sunday) on which commercial banks in London and Zurich are open for business and which is a TARGET Day.
- (d) The Floating Rate of Interest for each Floating Interest Period will, except as provided below, be the sum of 3 month EURIBOR (as defined below) determined as of 11.00 a.m. (Brussels time) on the relevant Interest Determination Date (as defined below) plus the Initial Margin (as defined below) plus 1 per cent, all as determined by the Agent.

If no Screen Rate is available on an Interest Determination Date for 3 month EURIBOR, the applicable EURIBOR shall be the Interpolated Screen Rate (as defined below) for 3 months.

If no Screen Rate is available for 3 month EURIBOR and it is not possible to calculate the Interpolated Screen Rate on an Interest Determination Date the applicable EURIBOR shall be the Reference Bank Rate (as defined below) for 3 months.

If no Screen Rate is available for 3 month EURIBOR and it is not possible to calculate the Interpolated Screen Rate and no or only one Reference Bank is available for 3 month EURIBOR on an Interest Determination Date, the applicable EURIBOR shall be the most recent applicable Screen Rate for 3 months.

EURIBOR means, in relation to the Loan Notes the euro inter-bank offered rate administered by the European Money Markets Institute (or any other person which takes over the administration of that rate) for the relevant period displayed on page EURIBOR01 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) (the **Screen Rate**) as of the relevant Interest Determination Date.

Interpolated Screen Rate means the rate (rounded to the same number of decimal places as the two relevant Screen Rates) which results from interpolating on a linear basis between:

- (i) the applicable Screen Rate for the longest period (for which the Screen Rate is available) which is less than 3 months; and
- (ii) the applicable Screen Rate for the shortest period (for which the Screen Rate is available) which exceeds 3 months,

each as of the relevant Interest Determination Date.

Reference Bank Rate means the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Agent at its request by the Reference Banks (A) (other than where section (B) below applies) as the rate at which the relevant Reference Bank believes one prime bank is quoting to another prime bank for 3 months interbank term deposits in EUR within the member states of the European Union that has the EUR as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union Participating Member States for the relevant period or (B) if different, as the rate (if any and applied to the relevant Reference Bank and 3 months) which contributors to the applicable Screen Rate are asked to submit to the relevant administrator as of the relevant Interest Determination Date.

Reference Banks means means the principal Euro-zone office of each of four major banks engaged in the Euro-zone interbank market selected by the Agent, provided that, once a Reference Bank has been selected by the Agent, that Reference Bank shall not be changed unless and until it ceases to be capable of acting as such.

Interest Determination Date means the second TARGET Day prior to the commencement of the relevant Floating Interest Period.

TARGET2 means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

TARGET Day means any day on which TARGET2 is open for the settlement of payments in EUR.

Initial Margin means 3.30 per cent.

- (e) The Agent will, on or as soon as practicable after each Interest Determination Date at which the Floating Rate of Interest is to

be determined, calculate the amount of interest payable on the Loan Notes for the relevant Floating Interest Period.

- (f) The amount of interest payable per Calculation Amount for the relevant Floating Interest Period shall be determined by applying the Floating Rate of Interest to the Calculation Amount, multiplying the sum by the actual number of days elapsed in the Floating Interest Period concerned divided by 360 and rounding the resulting figure to the nearest cent (half a cent being rounded upwards).
- (g) The Agent will notify the Floating Rate of Interest, each amount of interest for each Floating Interest Period, each Floating Interest Period and the relevant Floating Interest Payment Date to the Loan Noteholders by notice in accordance with Condition 16 (*Notices*) as soon as possible after their determination, but in no event later than the first day of the relevant Floating Interest Period. Each amount of interest and Floating Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Floating Interest Period. Any such amendment will be promptly notified to the Loan Noteholders by notice in accordance with Condition 16 (*Notices*).
- (h) All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3.2 (*Floating Rate of Interest*) by the Agent shall (in the absence of manifest error) be binding on the Issuer, the Guarantor and the Loan Noteholders.
- (i) The Issuer will procure that, as long as any Loan Note is outstanding, there will at all times be a calculation agent for the purposes of the Loan Notes. If the Agent is unable or unwilling to continue to act as calculation agent or if the Agent fails duly to establish the Floating Rate of Interest Rate for any Floating Interest Rate Period or to calculate the amount of interest, the Issuer will appoint another leading bank to act as such in its place. The Agent may not resign its duties without a successor having been appointed.

3.3. Recalculation of Interest

- (a) The rates of interest provided for in these Terms of the Loan Notes are minimum interest rates.

- (b) When issuing the Loan Notes, the Issuer and the Guarantor have assumed that the interest payable by Issuer is not and will not become subject to Swiss Withholding Tax (as defined below).
- (c) Notwithstanding the foregoing, if a Tax Deduction (as defined below) is required by law to be made by the Issuer in respect of any payment of interest in respect of the Loan Notes or, as the case may be, any payment by the Guarantor under the Guarantee, for Swiss Withholding Tax and should it be unlawful for the Issuer or the Guarantor to comply with section (a) of Condition 7 (*Taxation*) for any reason, where this would otherwise be required by Condition 7 (*Taxation*) (in particular taking into account the exclusions in section (b) of Condition 7 (*Taxation*)), then (A) the applicable interest rate with respect to that interest payment shall be the interest rate which would have applied to that interest payment as provided for by Condition 3 (*Interest*) divided by 1 minus the rate at which the relevant Tax Deduction is required to be made under Swiss domestic tax law and/or applicable double taxation treaties (where the rate at which the relevant Tax Deduction is required to be made is for this purpose expressed as a fraction of 1) and (B) the Issuer shall (x) pay the relevant interest at the adjusted rate in accordance with this section (c), (y) make the Tax Deduction on the interest so recalculated and (z) all references to a rate of interest under the Terms of the Loan Notes shall be construed accordingly.
- (d) To the extent that interest payable by the Issuer in relation to the Loan Notes or, as the case may be, any payment by the Guarantor under the Guarantee, becomes subject to Swiss Withholding Tax, each relevant Loan Noteholder and the Issuer or the Guarantor shall promptly cooperate in completing any procedural formalities (including submitting forms and documents required by the appropriate Tax authority) to the extent possible and necessary (A) for the Issuer or the Guarantor to obtain authorisation to make interest payments without them being subject to Swiss Withholding Tax and (B) to ensure that any person which is entitled to a full or partial refund under any applicable double taxation treaty is so refunded. In case of a refund the amount of such refund that, together with the respective interest payments and/or payments under the Guarantee received by the Loan Noteholders, exceeds the amount of interest and/or payments under the Guarantee that the Loan Noteholders were entitled to if no Swiss Withholding Tax had been deducted (i.e. the interest calculated at the interest rates provided for in these Terms of the Loan Notes other than in Condition 3.3 (*Recalculation of Interest*)) shall be paid back by the person entitled to the refund to the Issuer or the Guarantor which had to

remit the Swiss Withholding Tax to the Tax authority; such recalculation is referred to herein as a **Recalculation of Interest**.

3.4. Cessation of interest accrual

The Loan Notes shall cease to bear interest from the end of the day preceding the day on which they become due for redemption. If the Issuer fails to redeem the Loan Notes when due, interest shall continue to accrue on the outstanding principal amount of the Loan Notes beyond the due date until the end of the day preceding the day of the actual redemption of the Loan Notes. The applicable rate of interest will be determined in accordance with this Condition 3 (*Interest*). This does not affect any additional rights that might be available to the Loan Noteholders.

4. Payment of interest and deferral

4.1. Optional Deferral of Interest Payments

The Issuer will have the right to defer interest payments on the Loan Notes, in whole but not in part, on any Optional Interest Payment Date by giving notice to the Loan Noteholders in accordance with Condition 16 (*Notices*) not less than three Business Days prior to the relevant Optional Interest Payment Date. An **Optional Interest Payment Date** will be deemed to be occurring on any Interest Payment Date which does not constitute a Solvency Interest Deferral Date or a Compulsory Interest Payment Date (in each case as defined below). A notice given by the Issuer according to this Condition 4.1 (*Optional Deferral of Interest Payments*) shall no longer have any effect, in case any Interest Payment Date after such notice is a Compulsory Interest Payment Date.

4.2. Solvency Deferral of Interest

A **Solvency Interest Deferral Date** occurs if in relation to an Interest Payment Date a Solvency Event has occurred and is continuing on the relevant Reference Date. In such case the Issuer will be required to defer payment of any interest amount; provided that in the case where the payment of such interest amount would itself cause a Solvency Event to occur, the Issuer will only be required to defer the Solvency Shortfall (as defined below), except that the Issuer will not be required to defer the payment of such interest amount or Solvency Shortfall, as

the case may be, if the Regulator has given its consent to such payment.

If the Issuer is required to defer interest in accordance with this Condition 4.2 (*Solvency Deferral of Interest*), it will give notice to the Loan Noteholders in accordance with Condition 16 (*Notices*), not less than three Business Days prior to such Solvency Interest Deferral Date of the amount of the relevant interest payment that shall be deferred.

Reference Date means the 10th (tenth) Business Day preceding the relevant Interest Payment Date.

A **Solvency Event** shall have occurred if:

- (a) the Issuer does not have appropriate funds to cover the Required Solvency Margin (as defined below), or the amount of such funds would, as a result of a full or partial interest payment (including, for the avoidance of doubt, Deferred Interest) or redemption payment or repurchase, respectively, that would otherwise be due, be or become less than the Required Solvency Margin, all as shown in the most recent solvency report submitted by the Issuer to the Regulator; or
- (b) the Issuer is unable to pay its debts owed to its Senior Creditors as they fall due; or
- (c) the Assets (as defined below) of the Issuer do not exceed its Liabilities (as defined below) (other than liabilities to persons who are not Senior Creditors of the Issuer); or
- (d) the Regulator has given (and not withdrawn) notice to the Issuer or the Guarantor that it has determined, in view of the financial and/or capital position of the relevant entity, that in accordance with applicable regulations at such time, the Issuer must take specified action in relation to payments on the Loan Notes.

Assets means the unconsolidated total assets (*Umlauf- und Anlagevermögen*) of the Issuer, as shown in the Issuer's latest annual audited balance sheet, but adjusted for all subsequent events, as reasonably determined by the Issuer, or if the Issuer is being liquidated, its liquidator.

Liabilities means the unconsolidated total liabilities (*Fremdkapital*) of the Issuer, as shown in the Issuer's latest annual audited balance sheet, but adjusted for all subsequent events, as reasonably determined by the Issuer, or if the Issuer is being liquidated, its liquidator.

Required Solvency Margin means the required solvency margin (or a comparable term in case of a change in applicable rules) in accordance with the provisions of mandatorily applicable regulatory capital requirements (including but not limited to Swiss insurance regulatory law (for single solvency purposes) or a generally recognised administrative practice, if any, of the Regulator or otherwise, mandatorily applicable at that time) which is used by the Regulator in determining whether deferral of interest is required under applicable rules.

Solvency Shortfall means the portion of the interest amount (including, for the avoidance of doubt, Deferred Interest), which would be due under these Conditions but for the occurrence and the continuance of a Solvency Event that would cause a Solvency Event to occur or be continuing.

4.3. **Compulsory Payment of Interest**

Interest will be mandatorily due and payable in full on any Compulsory Interest Payment Date.

A **Compulsory Interest Payment Date** means each Interest Payment Date prior to which either:

- (a) at any time during a period of six months a Compulsory Interest Payment Event has occurred; provided however that (i) no Solvency Event has occurred and is continuing as of such Interest Payment Date and (ii) no Solvency Event would occur as a result of any payment of the relevant interest amount (including, for the avoidance of doubt, any Deferred Interest) on such Interest Payment Date (in which case the Issuer will only be required to pay the relevant interest amount other than the Solvency Shortfall); or
- (b) a Regulatory Event occurred that is continuing.

A **Compulsory Interest Payment Event** occurs when:

- (a) either the Issuer or the Guarantor has declared any dividend or other distribution (including for the avoidance of doubt, any nominal value reduction of the Guarantor's ordinary shares but not including a dividend made solely through the issuance of new shares) or has paid interest (or arrears thereof) on or in respect of any Junior Instruments and/or Parity Instruments excluding any declaration of a distribution or interest payment (i) that is made intra-group; or (ii) that was itself mandatory under the terms and conditions of such Parity Instrument or Junior In-

strument or (iii) made in connection with any employee compensation arrangement so long as the dividend or distribution is itself either a Parity Instrument or Junior Instrument or if a derivative, where the deliverable is either a Parity Instrument or a Junior Instrument; or

- (b) redemption, repayment, repurchase or any other acquisition for purposes of cancellation of any of their respective Parity Instruments and/or Junior Instruments has been made by or on behalf of the Issuer and the Guarantor unless that redemption, repurchase or repayment was (i) made by way of a direct exchange into new Parity Instruments and/or Junior Instruments in an amount which is no more than the amount of the Parity Instruments or Junior Instruments; or (ii) made in connection with a distribution resulting from a nominal value reduction of the Guarantor's ordinary shares; (iii) made in connection with any employee compensation arrangement or (iv) was itself mandatory under the terms and conditions of such Parity Instrument or Junior Instrument.

Notwithstanding the provisions above, should the occurrence of the Compulsory Interest Payment Event under section (a) or (b) above be in relation to a Parity Instrument, it will only be a Compulsory Interest Payment Event to the extent that it does not in itself cause a Regulatory Event.

4.4. Satisfaction of Deferred Interest

Interest deferred by the Issuer on an Optional Interest Payment Date or a Solvency Interest Deferral Date will constitute **Deferred Interest**.

Deferred Interest may at the option of the Issuer be paid in whole or in part, at any time, on giving 10 (ten) Business Days' notice to the Loan Noteholders in accordance with Condition 16 (*Notices*), subject to the Regulator's approval if such approval is required as per the SPICO or any Future Regulations and subject to no Solvency Event having occurred and which is continuing on the 10th (tenth) Business Day preceding the payment date of such Deferred Interest and such payment not causing a Solvency Event to occur (in which case the Issuer may only pay an amount other than the Solvency Shortfall). However, Deferred Interest shall become due and payable in full upon the occurrence of any of the following events:

- (a) the occurrence of a Compulsory Interest Payment Date following the deferral of interest;

- (b) any redemption of the Loan Notes (both Optional Redemption or a Special Early Redemption);
- (c) a decree or order being made by a court or agency or supervisory authority in Switzerland having jurisdiction in respect of the same, or a resolution being passed, for the dissolution (other than pursuant to a merger, consolidation or amalgamation with another entity where the resulting or surviving entity assumes all the obligations of the Issuer in respect of the Loan Notes), liquidation or winding-up of the Issuer; and
- (d) the occurrence of the next Optional Interest Payment Date upon which the Issuer elects to make an Interest Payment.

Notwithstanding the above, Deferred Interest which becomes due and payable subject to sections (a) and (d) above may be subject to the Regulator's approval if such approval is required as per the SPICO or any Future Regulations.

For the avoidance of doubt, any amount paid to Loan Noteholders on a Solvency Interest Deferral Date will not lead to a required satisfaction of all Deferred Interest. Deferred Interest shall not itself bear interest.

5. Redemption

5.1. No fixed maturity

The Loan Notes are undated perpetual obligations in respect of which there is no fixed maturity date. The Loan Notes are not redeemable at the option of the Loan Noteholders and will not otherwise be redeemed, except at the option of the Issuer and in accordance with this Condition 5 (*Redemption*).

5.2. Optional redemption

- (a) Subject to Condition 5.5 (*Conditions for redemption and repurchases*), the Issuer may redeem the Loan Notes (in whole but not in part) on 16 June 2025 (the **First Call Date**), or on any Interest Payment Date thereafter subject to having given not less than 30 (thirty), and not more than 60 (sixty) calendar days' prior notice to the Loan Noteholders at the Early Redemption Amount (each such redemption an **Optional Redemption**).

- (b) The appropriate redemption notice is a notice given by the Issuer to the Loan Noteholders in accordance with Condition 16 (*Notices*). The notice shall be irrevocable and shall specify the Interest Payment Date on which the Loan Notes are to be redeemed.
- (c) The Issuer will inform, if required by any stock exchange on which the Loan Notes are then listed (if any), such stock exchange, and the Agent as soon as possible of such Optional Redemption.

5.3. Special Early Redemption

- (a) If at any time after the Issue Date (i) a Recalculation of Interest Event, a (ii) Tax Event, (iii) an Accounting Event, (iv) a Rating Agency Event or (v) a Regulatory Event (each a **Special Early Redemption Event** and together the **Special Early Redemption Events**) occurs, the Issuer may, subject to Condition 5.5 (*Conditions for redemption and repurchases*), call and redeem the Loan Notes (in whole but not in part) subject to having given not less than 30 (thirty), and not more than 60 (sixty) calendar days' prior notice to the Loan Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption) in accordance with Condition 16 (*Notices*) at the Early Redemption Amount (in each case as defined below) (each such redemption a **Special Early Redemption**).
- (b) Any Special Early Redemption will not apply in respect of a Rating Agency Event or an Accounting Event, if at any time any application of the right to redeem would result in a Regulatory Event.

Recalculation of Interest Event means (i) the occurrence of a Recalculation of Interest or (ii) that the Issuer is required pursuant to the Conditions to pay Additional Amounts in respect of the Loan Notes and this cannot be avoided by the Issuer taking such reasonable measures as the Issuer (acting in good faith) deems appropriate.

Tax Event means that an opinion of a recognised tax counsel has been delivered to the Agent and the Issuer or the Guarantor, stating that the Issuer is, or there is more than an insubstantial risk that the Issuer will be, no longer able to obtain a tax deduction for the purposes of Swiss corporation tax for any payment of interest by the Issuer on the Loan Notes, and this cannot be avoided by the Issuer taking such reasonable measures as it (acting in good faith) deems appropriate.

Accounting Event means that an opinion of a recognised accounting firm has been delivered to the Issuer or the Guarantor, stating that obligations of the Issuer in respect of the Loan Notes must not or must no longer be recorded as liabilities on the balance sheet of the Guarantor published in the Guarantor's annual consolidated financial statements pursuant to the International Financial Reporting Standards as issued by the International Accounting Standards Board, and this cannot be avoided by the Issuer or the Guarantor, as the case may be, taking such reasonable measures as the Issuer or the Guarantor, as the case may be, (acting in good faith) deems appropriate. With respect to an Accounting Event the Issuer or the Guarantor, as the case may be, will deliver the applicable opinion to the Agent.

A **Rating Agency Event** means when, at any time, as a consequence of a change on or after the Issue Date in the methodology of a Rating Agency, or interpretation of such methodology, in relation to the equity content of securities (such as the Loan Notes), the equity content, in the reasonable opinion of the Issuer, assigned to the Loan Notes as of the date of such change is lower than the equity content previously assigned by such Rating Agency at or around the Issue Date or when such equity content was assigned for the first time (as applicable).

A **Regulatory Event** means the occurrence of any of the following events which occurrence cannot be avoided by the Issuer or the Guarantor, as the case may be, taking such reasonable measures as the Issuer (acting in good faith) deems appropriate:

- (i) the Regulator states that the Loan Notes are no longer eligible, in whole or in part, to qualify as upper additional capital (*oberes ergänzendes Kapital*) pursuant to Art. 49 in connection with Art. 39 of the SPICO (as defined below), and no longer fulfil the requirements for such category, or equivalent thereof, for group or solo solvency purposes; or
- (ii) the Regulator issues further guidance in relation to instruments qualifying under Art. 39 of the SPICO or in any Future Regulations for group or solo solvency purposes (by way of law, ordinance, regulation or a published interpretation thereof), and following which the Regulator states that such guidance has an adverse regulatory capital implication for the Issuer or the Guarantor in relation to the Loan Notes.

SPICO means the Ordinance on the Supervision of Private Insurance Companies (*Verordnung über die Beaufsichtigung von privaten Versicherungsunternehmen – AVO*) of 9 November 2005, as amended.

Future Regulations means the solvency margin, regulatory capital or capital adequacy regulations (if any) which may be introduced in Switzerland and which are applicable to the Issuer and/or the Guarantor, which would set out the requirements to be satisfied by financial instruments in order that they be eligible to be included in Tier 2 Capital.

Early Redemption Amount means the aggregate principal amount of the Loan Notes outstanding on the relevant redemption date plus accrued interest to but excluding the redemption date plus Deferred Interest, if any.

Rating Agency means Standard and Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. (**S&P**) or such other nationally recognised credit rating agency that, from time to time, assumes or performs the function that is performed by S&P as at the Issue Date.

Regulator means the Swiss Financial Market Supervisory Authority (FINMA) or such other agency that, from time to time, assumes or performs the function that is performed by FINMA as at the Issue Date.

Tier 2 Capital means all items classified as tier two capital (*ergänzendes Kapital*) of the Issuer or the Guarantor as defined in the rules and regulations of the Regulator, at the time of issuance comprising upper additional capital (*oberes ergänzendes Kapital*) and lower additional capital (*unteres ergänzendes Kapital*).

The Issuer will inform, if required by any stock exchange on which the Loan Notes are then listed (if any), such stock exchange, and the Agent as soon as possible of such early redemption.

5.4. **Purchase of Loan Notes**

Subject to the conditions as per Condition 5.5 (*Conditions for redemption and repurchases*) and subject to the Non-Bank Rules, the Issuer, the Guarantor or any other member of the Swiss Life group may at any time (subject to mandatory provisions of law) purchase Loan Notes in

the open market or otherwise and at any price. Such acquired Loan Notes may be cancelled, held or resold.

5.5. **Conditions for redemption and repurchases**

Any redemption in accordance with Condition 5.2 (*Optional redemption*) or Condition 5.3 (*Special Early Redemption*) or any repurchase of the Loan Notes in accordance with Condition 5.4 (*Purchase of Loan Notes*) is subject to:

- (a) the Issuer obtaining the prior written consent of the Regulator with such notice period as required by applicable regulations at such time;
- (b) no Solvency Event having occurred, which is continuing at the time of delivery of notice (in the case of a redemption under Condition 5.2 (*Optional redemption*) or Condition 5.3 (*Special Early Redemption*)) or at the time of a repurchase (in the case of a repurchase as per Condition 5.4 (*Purchase of Loan Notes*)) and such redemption or repurchase not causing a Solvency Event to occur; and
- (c) in the case of:
 - (i) a redemption in accordance with Condition 5.3 (*Special Early Redemption*) which occurs as a consequence of the occurrence of a Special Early Redemption Event; or
 - (ii) a repurchase,

that is, in each case, within five years after the Issue Date, such redemption or repurchase being (A) funded out of the proceeds of a new issuance of capital of at least the same quality of the Loan Notes (at least Tier 2 Capital) and (B) otherwise permitted under the then applicable rules.

6. **Payments**

- (a) The Issuer undertakes to pay, as and when due, principal and interest on the Loan Notes in EUR. Payment of principal and interest on the Loan Notes shall be made to the Agent or to its order for credit to the relevant account holders of the Agent as of the relevant Record Date. **Record Date** means the date that is 5 (five) Business Days prior to the relevant Interest Payment

Date, First Call Date or date of early redemption pursuant to Condition 5.3 (*Special Early Redemption*).

- (b) The Issuer or the Guarantor, as the case may be, shall be discharged by payment to the Agent.
- (c) If the due date for payment of interest or any other amount in respect of the Loan Notes is not a Business Day, then the due date shall be delayed to the next Business Day and no Loan Noteholder shall be entitled to further interest or other payment in respect of such delay.
- (d) Certificates presented for redemption must be delivered and surrendered for payment together with all unmatured interest payments.

7. Taxation

- (a) All payments of principal and interest in respect of the Loan Notes and all payments by the Guarantor under the Guarantee will be made free and clear of, and without Tax Deduction for any Taxes, unless the Issuer or the Guarantor, as the case may be, is required by law to make such Tax Deduction. If a Tax Deduction is required by law to be made, the Issuer or the Guarantor, as the case may be, will pay such additional amount (the **Additional Amount**) as the Loan Noteholders would have received, if no Tax Deduction had been required.
- (b) However, no such Additional Amounts or interest recalculated pursuant to Condition 3.3 (*Recalculation of Interest*) shall be payable with respect to such Taxes in respect of any Loan Noteholder:
 - (i) if the Loan Note is presented for payment by or on behalf of a Loan Noteholder which is liable to such Tax in respect of that Loan Note by reason of it having some connection with Switzerland other than the mere holding of that Loan Note;
 - (ii) if the Loan Note is presented for payment more than 30 (thirty) calendar days after the Relevant Date, except to the extent that the relevant Loan Noteholder would have been entitled to payment of such Additional Amounts or interest recalculated pursuant to Condition 3.3 (*Recalculation of Interest*) on presenting such Loan Note for payment on the last day of such period of 30 (thirty) calendar days;

- (iii) if the Loan Note is presented for payment by or on behalf of a Loan Noteholder which would have been able to avoid such Tax Deduction by presenting the Loan Note to a paying agent in another Member State of the European Union;
- (iv) if the payment could have been made without a Tax Deduction if the Loan Noteholders had complied with Condition 9 (*Transfer and sub-participation*);
- (v) if the payment could have been made to the relevant Loan Noteholder without a Tax Deduction if it was a Qualifying Bank, but on that date that Loan Noteholder is not or has ceased to be a Qualifying Bank other than as a result of any change after the date it became a Loan Noteholder under these Terms of the Loan Notes in (or in the interpretation, administration, or application of) any law or double taxation treaty, or any published practice or concession of any relevant taxing authority;
- (vi) if any such Taxes are imposed pursuant to or required to be deducted or withheld on a payment pursuant to Sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986, as amended (FATCA), any current or future regulations or agreements thereunder, official interpretations of, or any law implementing an intergovernmental approach thereto;
- (vii) if any such Taxes are imposed pursuant to or required to be deducted or withheld on a payment pursuant to laws enacted by Switzerland providing for the taxation of payments according to principles similar to those laid down in the draft legislation proposed by the Swiss Federal Council on December 17, 2014 (*Zahlstellensteuer*), in particular, the principle to have a person other than the Issuer or the Guarantor withhold or deduct such Taxes;
- (viii) if any such Taxes are imposed pursuant to or required to be deducted or withheld on a payment pursuant to the European Union Directive 2003/48/EC of 3 June 2003 regarding the taxation of savings income (the **Directive**), or the Agreement between the European Community and the Swiss Confederation dated October 26, 2004 providing for measures equivalent to those laid down in the Directive (the **Swiss Agreement**), or any other directive implementing the conclusions of the ECOFIN Council meeting of November 26 and 27, 2000 on the taxation of savings income or any law implementing or complying with or introduced in order to conform to the Directive or the Swiss Agreement; or

- (ix) if any such Taxes are imposed pursuant to or required to be deducted or withheld on a payment pursuant to an agreement between Switzerland and another country on final withholding taxes levied by Swiss paying agents in respect of persons resident in the other country on income of such person or a Loan Note booked or deposited with a Swiss paying agent (*Abgeltungssteuer*).
- (c) Within 30 (thirty) calendar days of making either a Tax Deduction or a payment required in connection with a Tax Deduction the Issuer or the Guarantor must deliver to the relevant Loan Noteholder evidence satisfactory to that Loan Noteholder (acting reasonably) that the Tax Deduction has been made or (as applicable) the appropriate payment has been paid to the relevant taxing authority.
- (d) If the Issuer or the Guarantor must make a Tax Deduction and the relevant Loan Noteholder (acting in good faith) determines that (i) a tax refund for such Tax Deduction is available to it and it has retained that Tax refund, that Loan Noteholder shall pay within 10 (ten) Business Days after such Tax refund an amount to the Issuer which that Loan Noteholder determines (in its sole discretion) will leave it (after that payment) in the same after-tax position as it would have been if the payment of the Additional Amount or a payment at an interest rate recalculated pursuant to Condition 3.3 (*Recalculation of Interest*) had not been required to be made by the Issuer or the Guarantor.
- (e) At the date hereof and for so long as the Loan Notes are outstanding, the Issuer shall ensure that it is in compliance with the Non-Bank Rules, provided that the Issuer will not be in breach of this section (e) of Condition 7 (*Taxation*) if either of the Non-Bank Rules are breached solely by reason of a failure by one or more Loan Noteholders to comply with their respective obligations under Condition 9 (*Transfer and sub-participation*).
- (f) **Guidelines** means together, the guidelines S-02.122.1 in relation to bonds of April 1999 as issued by the Swiss Federal Tax Administration (*Merkblatt S-02.122.1 vom April 1999 betreffend "Obligationen"*) and S-02.123 in relation to inter-bank transactions of 22 September 1986 as issued by the Swiss Federal Tax Administration (*Merkblatt S-02.123 vom 22. September 1986 betreffend Zinsen von Bankguthaben, deren Gläubiger Banken sind ("Interbankguthaben")*), S-02.128 in relation to syndicated credit facilities of January 2000 (*Merkblatt S-02.128 vom Januar 2000 "Steuerliche Behandlung von Konsortialdarlehen, Schuld-scheindarlehen, Wechseln und Unterbeteiligungen"*), and S-

02.130.1 in relation to accounts receivable of Swiss debtors of April 1999 (*Merkblatt S-02.130.1 vom April 1999 "Geldmarktpapiere und Buchforderungen inländischer Schuldner"*), circular letter No. 15 in relation to bonds and derivative financial instruments of 7 February 2007 (*Kreisschreiben Nr. 15 vom 7. Februar 2007 betreffend Obligationen und derivative Finanzinstrumente als Gegenstand der direkten Bundessteuer, der Verrechnungssteuer sowie der Stempelabgaben*), circular letter No. 34 of 26 July 2011 (1-034-V-2011) in relation to customer credit balances (*Kreisschreiben Nr. 34 ("Kundenguthaben") vom 26. Juli 2011*) and guideline S-02.132 in relation to issuance stamp duty on fixed deposits of 1 April 1993 (*Merkblatt S-02.132 vom 1. April 1993 betreffend Emissionsabgabe auf Festgeldanlagen bei inländischen Banken*), in each case as issued, amended or replaced from time to time, by the Swiss Federal Tax Administration, and taking into consideration any amendment of the respective legislation (including the ordinance of the Swiss Federal Council of June 18, 2010, amending Swiss withholding tax and Swiss stamp tax regulations entered into force as of August 1, 2010).

Non-Bank Rules means the Ten Non-Bank Rule and the Twenty Non-Bank Rule.

Permitted Non-Qualifying Loan Noteholder means:

- (i) initially, Demeter Investments B.V., Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands (**Demeter**), and
- (ii) a successor of Demeter by way of Transfer (as defined below) of all of the Loan Notes (except for Loan Notes held by Qualifying Banks) that is not a Qualifying Bank on the date it becomes a Loan Noteholder, provided that:
 - (1) such proposed Permitted Non-Qualifying Loan Noteholder (prior to it becoming a Loan Noteholder) is designated as the Permitted Non-Qualifying Loan Noteholder in writing by the Issuer with at least 20 (twenty) calendar days' notice before such designation notice is intended to become effective;
 - (2) if the Issuer, on receiving such notification with respect to a proposed Permitted Non-Qualifying Loan Noteholder, believes such proposed Permitted Non-Qualifying Loan Noteholder is more than one person for purposes of the Non-Bank Rules, the Issuer may during such notice period request from that proposed

Permitted Non-Qualifying Loan Noteholder (at its cost) a tax ruling of the Swiss Federal Tax Administration that such proposed Permitted Non-Qualifying Loan Noteholder constitutes one person for purposes of the Non-Bank Rules; and

- (3) following such a request under section (2) above, such proposed Permitted Non-Qualifying Loan Noteholder shall only be a Permitted Non-Qualifying Loan Noteholder under this section (ii) if (x) the Issuer receives from such proposed Permitted Non-Qualifying Loan Noteholder a certified copy of such tax ruling and such tax ruling confirms, to the Issuer's full satisfaction, that such proposed Permitted Non-Qualifying Loan Noteholder constitutes one person only for purposes of the Non-Bank Rules and (y) such proposed Permitted Non-Qualifying Loan Noteholder confirms to the Issuer that such proposed Permitted Non-Qualifying Loan Noteholder has disclosed all facts relevant to this determination to the Issuer.

The Issuer will confirm within 10 (ten) calendar days of its receipt of any such tax ruling whether or not such tax ruling is satisfactory for this purpose and, in the absence of such confirmation, the Issuer will be deemed to have confirmed that such tax ruling is so satisfactory on the 10th (tenth) calendar day after the Issuer's receipt of such tax ruling; which (in each case) has not ceased to be a Loan Noteholder in accordance with the terms hereof.

Qualifying Bank means

- (i) any bank as defined in the Swiss Federal Act on Banks and Savings Banks (*Bankengesetz*); or
- (ii) a financial institution acting on its own account which (A) qualifies as a bank pursuant to the banking laws in force in its country of incorporation, or with respect to a branch, pursuant to the banking laws in force in the jurisdiction where such branch is situated, (B) carries on a true banking activity in such jurisdiction as its main purpose, and (C) has personnel, premises, communication devices and decision-making authority of its own, in each case, in accordance with the meaning of the Guidelines or legislation or explanatory notes addressing the same issues which are in force at any time.

Relevant Date means whichever is the later of the date on which the payment in question first becomes due and, if the full amount payable has not been received by the Agent on or prior to that due date, the date on which notice of receipt of the full amount has been given to the Loan Noteholder in accordance with Condition 16 (*Notices*).

Swiss Federal Tax Administration means the tax authorities referred to in Article 34 of the Swiss Federal Withholding Tax Act.

Swiss Withholding Tax means taxes imposed under the Swiss Federal Withholding Tax Act.

Swiss Federal Withholding Tax Act means the Swiss Federal Withholding Tax Act on the withholding of tax (*Verrechnungss-teuergesetz*), together with the related ordinances, regulations and guidelines.

Tax means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) imposed, levied, collected, withheld or assessed by or on behalf of Switzerland or any political subdivision thereof or any authority thereof having the power to tax.

Tax Deduction means a deduction or withholding for or on account of Tax from a payment under the Loan Notes.

Ten Non-Bank Rule means the rule that the aggregate number of creditors (within the meaning of the Guidelines) (including Loan Noteholders) under the Loan Notes which are not Qualifying Banks must not exceed 10 (ten).

Twenty Non-Bank Rules means the rule that (without duplication) the aggregate number of creditors (including the Loan Noteholders), other than Qualifying Banks, of the Issuer under all outstanding debts relevant for classification as debenture (*Kassenobligation*) (including debt arising under Loan Notes and intra-group loans (if and to the extent intra-group loans are not exempt in accordance with the ordinance of the Swiss Federal Council of 18 June 2010 amending the Swiss Federal Ordinance on withholding tax and the Swiss Federal Ordinance on stamp duties with effect as of 1 August 2010), loans, facilities and/or private placements) must not at any time exceed 20 (twenty), in each case in accordance with the meaning of the Guidelines.

8. Agents

- (a) The agent means the fiscal agent, paying agent, calculation agent appointed pursuant to the Agency Agreement (the **Agent**).
- (b) The initial Agent for the Loan Notes will be Bank of New York Mellon, acting through its London branch with specified offices at One Canada Square, London E14 5AL, United Kingdom.
- (c) The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of the Agent and/or to appoint other Agents provided that they will at all times maintain (i) an Agent and (ii) so long as the Loan Notes are listed on a stock exchange, an Agent with a specified office in such city as may be required by the rules of the relevant stock exchange and (iii) an Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to the Directive or any law implementing or complying with, or introduced in order to conform to such Directive. The Agent reserves the right at any time to change its respective specified office to some other specified office in the same city. Notice of all changes in the identities or specified offices of the Agent will be given promptly by the Issuer to the Loan Noteholders in accordance with Condition 16 (*Notices*).
- (d) The Agent acts solely as agent of the Issuer and the Guarantor, respectively, and does not assume any obligations towards or relationship of agency or trust for the Loan Noteholder. The Agent is exempt from the restrictions relating to self-dealing.

9. Transfer and sub-participation

- (a) The Loan Notes may only be assigned and transferred by way of written assignment (*schriftliche Zession*), including upon an enforcement of any security over the Loan Notes (a Transfer) (and any Transfer is conditional (*aufschiebend bedingt*) and shall only become effective upon due registration of such Transfer by the Registrar in the Register according to section (b) below),
 - (i) in whole or in part, if the Transfer is to a Qualifying Bank, provided that in the case of a Transfer of the Loan Notes in part, the Loan Notes may not be transferred to more than 5 (five) Qualifying Banks, or

- (ii) in whole but not in part, if the Transfer is to a Permitted Non-Qualifying Noteholder.
- (b) Any Transfer of a Loan Note shall be recorded by the Registrar in the Register on production by the transferee at the registered office of the Registrar of:
 - (i) the relevant Certificate representing the relevant Loan Note together with a written assignment declaration duly signed by the transferor (which may be made on the back of the Certificate or in a separate document) and such written assignment declaration must include a representation by the transferee that it is a Qualifying Bank or a Permitted Non-Qualifying Noteholder; and
 - (ii) such other evidence as the Issuer may require to prove the authority of the person signing the written assignment and the transferee's status as a Qualifying Bank or the Permitted Non-Qualifying Noteholder (such evidence to include, if requested, a tax ruling confirmation from the Swiss Federal Tax Administration).
- (c) Subject to a permitted Transfer according to section (a) above, no Loan Noteholder shall transfer its credit exposure under the Loan Notes to third parties by way of entering into derivative transactions, sub-participations or similar instruments with such third parties, unless under such arrangement and at any time throughout the life of such arrangement:
 - (i) the relationship between the Loan Noteholder and that other person is that of debtor and creditor (including in the bankruptcy or similar event of the Loan Noteholder or the Issuer);
 - (ii) the other person will have no proprietary interest in the benefit of the Loan Notes or in any monies received by the Loan Noteholder under or in relation to the Loan Notes; and
 - (iii) the other person will under no circumstances, other than permitted Transfers (A) be subrogated to, or substituted in respect of, the Loan Noteholder's claims under the Loan Notes and (B) have otherwise any contractual relationship with, or rights against, the Issuer or the Guarantor under or in relation to the Loan Notes.

10. Grants of security

Any Loan Noteholder may, without the consent of the Issuer, at any time charge or create a security interest in all or any portion of its rights under the Loan Note to secure obligations of such Loan Noteholder, provided that:

- (a) no such charge or creation of a security interest shall:
 - (i) substitute any chargee or holder of the benefit of such security interest for such Loan Noteholder as Loan Noteholder except in accordance with the provision of Condition 9 (*Transfer and sub-participation*); or
 - (ii) require any payments to be made by the Issuer other than as required by the Loan Notes. A copy of any notice of charge or creation of security interest as envisaged in this section (a) shall be delivered to the Agent and the Agent shall not be obligated to take any action in regard to such notice; and
- (b) such charge or creation of a security interest shall in each case provide that upon any assignment or transfer of the interest in the Loan Note or enforcement of such charge or security interest, any resulting assignment or transfer shall be in accordance with Condition 9 (*Transfer and sub-participation*); and
- (c) the Loan Noteholder promptly notifies the Agent of any such charge or security interest and the secured party's identity and status by delivering to the Agent a respective notification, which notification the Agent shall promptly forward to the Issuer.

11. No set-off rights

No Loan Noteholder may set off any claims arising under the Loan Notes against any claims that the Issuer may have against the Loan Noteholders. The Issuer may not set off any claims it may have against any Loan Noteholder against any of its obligations under the Loan Notes.

12. Events of default and acceleration

There will be no events of default in respect of the Loan Notes. In case of the Issuer's failure to discharge its payment obligations relating to interest under the Terms of the Loan Notes, Loan Noteholders shall

have no right to claim or enforce an early redemption of the Loan Notes. In particular, Loan Noteholders shall not be entitled, and hereby waive any statutory right conferred to them, to file for the opening of bankruptcy proceedings (*Konkursbegehren*) pursuant to Art. 166 of the Swiss Federal Act on Debt Collection and Bankruptcy (*Bundesgesetz über Schuldbetreibung und Konkurs*) or to make other filings or motions which, if approved, will lead to a redemption of the Loan Notes. However, the Loan Notes shall become immediately due and payable, together with accrued interest thereon, if any, and Deferred Interest, if any, to the date of payment, following a decree or order being made by a court or agency or supervisory authority in Switzerland having jurisdiction in respect of the same, or a resolution being passed, for the opening of bankruptcy proceedings, the dissolution (other than pursuant to a merger, consolidation or amalgamation with another entity where the resulting or surviving entity assumes all the obligations of the Issuer in respect of the Loan Notes), liquidation or winding-up of the Issuer.

13. Subordinated guarantee

As security for the Loan Notes, the Guarantor has issued the following unconditional and irrevocable Guarantee:

GUARANTEE

(in the meaning of Article 111 Swiss Federal Code of Obligations (*Obligationenrecht*), the **Guarantee**)

- (a) Being informed that Swiss Life AG, General-Guisan-Quai 40, CH-8002 Zurich, Switzerland (hereinafter called the **Issuer**), issued and sold Guaranteed Subordinated Perpetual Fixed to Floating Rate Loan Notes (the **Loan Notes**) in the aggregate principal amount of EUR 750,000,000, Swiss Life Holding AG, General-Guisan-Quai 40, CH-8002 Zurich, Switzerland (the **Guarantor**), herewith irrevocably and unconditionally, but on a subordinated basis in accordance with subsection (b) below, guarantees to the holders of the Loan Notes (the **Loan Noteholders**) in accordance with Article 111 CO, irrespective of the validity of the Loan Notes, the purchase agreement relating to the Loan Notes between the Issuer, the Guarantor and Demeter Investments B.V. dated 12 June 2015 (the **Purchase Agreement**) and the agency agreement relating to the Loan Notes between the Issuer, the Guarantor and Bank of New York Mellon dated 16 June 2015 (the **Agency Agreement**) and waiving all rights of objection and defence arising from the Loan Note, the Purchase Agreement and the Agency Agreement, the due payment of the

amounts (including but not limited to, principal and interest) expressed to be due and payable by the Issuer under and pursuant to the Terms of the Loan Notes. Accordingly, the Guarantor agrees to pay or deliver to Bank of New York Mellon, London branch, in its capacity as fiscal, paying and calculation agent in respect of the Loan Notes (the **Agent**), on behalf of the Loan Noteholders, within 7 (seven) calendar days after the receipt by the Guarantor of the Agent's first written demand for payment and its confirmation in writing that an amount has become due and payable under the Loan Notes which is equivalent to the amount claimed under this Guarantee and has remained unpaid on the due date.

- (b) This Guarantee will constitute a direct, subordinated and unsecured obligation of the Guarantor and rank *pari passu*, without any preference, among such obligations. The claims of the Loan Noteholders under this Guarantee rank on a voluntary or involuntary insolvency, winding-up, liquidation, dissolution or other similar proceedings of or against the Guarantor:
 - (i) after the claims of any Senior Creditors (as defined below);
 - (ii) *pari passu* with any other existing or future direct, subordinated and unsecured obligations of the Guarantor which whether now or in the future are ranking or expressed to rank *pari passu* with the claims of the Loan Noteholders against the Guarantor (the **Parity Obligations**); and
 - (iii) prior to the claims of the holders of all classes of issued shares in the share capital of the Guarantor and any other securities issued by the Guarantor or the Issuer ranking or expressed to rank junior to the claims of the Loan Noteholders, including the obligations of the Guarantor under the Guaranteed Subordinated Perpetual Fixed to Floating Rate Loan Notes sold to ELM B.V. on 4 April 2007.

Senior Creditors means creditors of the Guarantor (i) who are unsubordinated creditors of the Guarantor, or (ii) whose claims are, or are expressed to be, subordinated (whether only in the event of the liquidation, dissolution or winding-up of the Guarantor or otherwise) to the claims of other unsubordinated creditors of the Guarantor (including all existing and future unsecured, subordinated obligations of the Guarantor (whether actual or contingent)), except those whose claims rank, or are expressed to rank, equally with or junior to the claims of the Loan Noteholders under this Guarantee.

The subordination provisions set out above are irrevocable. The Guarantor may not create or permit to exist any charge or other interest over its assets to secure the obligations of the Guarantor in respect of this Guarantee.

- (c) Payments under this Guarantee shall be made in EUR. The receipt by the Agent of funds in EUR from the Guarantor shall release the Guarantor from its obligations under this Guarantee to the extent of amounts received by the Agent.
- (d) The Guarantor agrees to be bound by the provisions of section (c) of Condition 3.3 (*Recalculation of Interest*) and Condition 7 (*Taxation*) of the Terms of the Loan Notes as if set out in full in this Guarantee.
- (e) This Guarantee shall give rise to a separate and independent cause of action against the Guarantor and shall apply irrespective of any indulgence granted to the Issuer by the Agent or any Loan Noteholder from time to time and shall continue in full force and effect notwithstanding any judgement or order against the Issuer and/or the Guarantor. However, when enforcing the Guarantee, Loan Noteholders shall not be entitled, and hereby waive any statutory right conferred to them, to file for the opening of bankruptcy proceedings (*Konkursbegehren*) pursuant to Art. 166 of the Swiss Federal Act on Debt Collection and Bankruptcy (*Bundesgesetz über Schuldbetreibung und Konkurs*) or to make other filings or motions which, if approved, will have similar effects on the Guarantor.
- (f) This Guarantee is governed by Swiss law.
- (g) Any dispute regarding this Guarantee which may arise between the Agent, the Guarantor and the Loan Noteholders shall be settled in accordance with Swiss law, the exclusive place of jurisdiction being Zurich.

The Agent undertakes to call on the Guarantee and to claim from the Guarantor any due but unpaid amount, each in accordance with the Guarantee. Upon receipt, the Agent undertakes to forward such amount to the Loan Noteholders, who waive all rights of set off with respect to such Loan Noteholders. The Guarantor shall be liable to pay to the Agent all costs and expenses related to the collection of said amount, including court fees and legal fees.

14. Substitution and variation; Substitution of the Issuer

If any Special Early Redemption Event has occurred and is continuing, then the Issuer may at any time, without the consent or approval of the Loan Noteholders, substitute all (but not less than all) of the Loan Notes, or modify the Terms of the Loan Notes.

- (a) Any substitution or modification of the Loan Notes is conditional on the substituting securities:
 - (i) having terms that are, in the opinion of two executive officers of the Issuer, not less favourable to the Loan Noteholders than the Terms of the Loan Notes in any material way;
 - (ii) being issued by the Issuer or being issued by another member of the Swiss Life group or in the case of a substitution of the Issuer by a successor issuer (each a **New Issuer**) with a guarantee by the Guarantor, such that Loan Noteholders have the same material rights and claims as provided by the Loan Notes and the Guarantee; and
 - (iii) ranking or expressed to rank at least equal to the Loan Notes and featuring the same tenor, denomination, interest rate (including applicable margins and step-up), interest payment dates and first call date as the Loan Notes.
- (b) In addition, any substitution or modification is subject to (i) the substitution or modification not affecting the rights to accrued interest, Additional Amounts and Deferred Interest, if any, unless specifically agreed otherwise; (ii) the prior written notice (if such notice is required to be given) by the Issuer to, and receiving no objection from, the Regulator; (iii) the substitution or modification not itself giving rise to a change in any published rating of the Loan Notes in effect at such time, it being understood that the Issuer shall (1) in case of a substitution of the Loan Notes or the Issuer, obtain prior written consent of the Rating Agency and (2) give written notice to the Rating Agency of any modification of the Loan Notes; (iv) the substitution or modification not triggering the right to effectuate a Special Early Redemption Event; and (v) certification by two executive officers of the Issuer that these conditions have been complied with. In connection with any substitution or modification as indicated above, the Issuer will comply with the rules of any stock exchange (if any) on which the Loan Notes are then listed.

15. Meetings of Loan Noteholders

Art. 1157 et seq. of the Swiss Federal Code of Obligations (*Obligationenrecht*) shall be applicable.

16. Notices

- (a) Notices to the Loan Noteholders will be valid if published in a national newspaper designated for exchange notices by any stock exchange (if any) where the Loan Notes are then listed, and if the Loan Notes are unlisted the Issuer will deliver such notice to the Registrar for communication by the Registrar to the Loan Noteholders. Any notice so given will be deemed to have been validly given on the 3rd (third) calendar day after the date of the first such publication or on the calendar day after which said notice was given to the Registrar, as the case may be.
- (b) Provided this complies with the rules of the stock exchange on which the Loan Notes are listed (if any), the Issuer may replace any newspaper notice pursuant to section (a) of Condition 16 (*Notices*) by delivering the notice to the Registrar for communication by the Registrar to the Loan Noteholders. Any such notice shall be deemed to have been given to the Loan Noteholders on the 7th (seventh) calendar day after the day on which the said notice was given to the Registrar.

17. Prescription

Claims against the Issuer in respect of Loan Notes will become void unless presented for payment within a period of presently 10 (ten) years (in the case of the principal) and within 5 (five) years (in the case of interest) from the appropriate relevant due date, by virtue of the statute of limitations of Swiss law.

18. Governing law and jurisdiction

The form, construction and interpretation of the Loan Notes shall be subject to and governed by Swiss law.

Any dispute which might arise between Loan Noteholders on the one hand and the Issuer on the other hand regarding the Loan Notes shall be settled in accordance with Swiss law, the exclusive place of jurisdiction being Zurich.

19. Amendments

The Agent may, without the consent of the Loan Noteholders, agree to any modification or arrangement of the Terms of the Loan Notes which, in the opinion of the Agent, is of a formal, minor or technical nature or is made to correct a manifest error.

20. Severability

If at any time any one or more of the provisions of the Terms of the Loan Notes is or becomes unlawful, invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not be in any way affected or impaired thereby.

THE GUARANTEE

This section contains extracts of the guarantee (in the meaning of Article 111 of the Swiss Federal Code of Obligations) which will be given by the Guarantor on the Issue Date (the "**Guarantee**"):

1. "Being informed that Swiss Life AG, General-Guisan-Quai 40, CH-8002 Zurich, Switzerland (hereinafter called the "**Issuer**"), issued and sold Guaranteed Subordinated Perpetual Fixed to Floating Rate Loan Notes (the "**Loan Notes**") in the aggregate principal amount of EUR 750,000,000, Swiss Life Holding AG, General-Guisan-Quai 40, CH-8002 Zurich, Switzerland (the "**Guarantor**"), herewith irrevocably and unconditionally, but on a subordinated basis in accordance with subsection (2) below, guarantees to the holders of the Loan Notes (the "**Loan Noteholders**") in accordance with Article 111 CO, irrespective of the validity of the Loan Notes, the purchase agreement relating to the Loan Notes between the Issuer, the Guarantor and Demeter Investments B.V. dated 12 June 2015 (the "**Purchase Agreement**") and the agency agreement relating to the Loan Notes between the Issuer, the Guarantor and Bank of New York Mellon dated 16 June 2015 (the "**Agency Agreement**") and waiving all rights of objection and defence arising from the Loan Note, the Purchase Agreement and the Agency Agreement, the due payment of the amounts (including but not limited to, principal and interest) expressed to be due and payable by the Issuer under and pursuant to the terms and conditions of the Loan Notes. Accordingly, the Guarantor agrees to pay or deliver to Bank of New York Mellon, London branch, in its capacity as fiscal, paying and calculation agent in respect of the Loan Notes (the "**Agent**"), on behalf of the Loan Noteholders, within 7 (seven) calendar days after the receipt by the Guarantor of the Agent's first written demand for payment and its confirmation in writing that an amount has become due and payable under the Loan Notes which is equivalent to the amount claimed under this Guarantee and has remained unpaid on the due date.
2. This Guarantee will constitute a direct, subordinated and unsecured obligation of the Guarantor and rank pari passu, without any preference, among such obligations. The claims of the Loan Noteholders under this Guarantee rank on a voluntary or involuntary insolvency, winding-up, liquidation, dissolution or other similar proceedings of or against the Guarantor:
 - i. after the claims of any Senior Creditors (as defined below);
 - ii. pari passu with any other existing or future direct, subordinated and unsecured obligations of the Guarantor which whether now or in the future are ranking or expressed to rank pari passu with the claims of the Loan Noteholders against the Guarantor (the "**Parity Obligations**"); and

- iii. prior to the claims of the holders of all classes of issued shares in the share capital of the Guarantor and any other securities issued by the Guarantor or the Issuer ranking or expressed to rank junior to the claims of the Loan Noteholders, including the obligations of the Guarantor under the Guaranteed Subordinated Perpetual Fixed to Floating Rate Loan Notes sold to ELM B.V. on 4 April 2007.

"Senior Creditors" means creditors of the Guarantor (i) who are unsubordinated creditors of the Guarantor, or (ii) whose claims are, or are expressed to be, subordinated (whether only in the event of the liquidation, dissolution or winding-up of the Guarantor or otherwise) to the claims of other unsubordinated creditors of the Guarantor (including all existing and future unsecured, subordinated obligations of the Guarantor (whether actual or contingent)), except those whose claims rank, or are expressed to rank, equally with or junior to the claims of the Loan Noteholders under this Guarantee.

The subordination provisions set out above are irrevocable. The Guarantor may not create or permit to exist any charge or other interest over its assets to secure the obligations of the Guarantor in respect of this Guarantee.

3. Payments under this Guarantee shall be made in EUR. The receipt by the Agent of funds in EUR from the Guarantor shall release the Guarantor from its obligations under this Guarantee to the extent of amounts received by the Agent.
4. The Guarantor agrees to be bound by the provisions of section (c) of condition 3.3 (*Recalculation of Interest*) and condition 7 (*Taxation*) of the terms and conditions of the Loan Notes as if set out in full in this Guarantee.
5. This Guarantee shall give rise to a separate and independent cause of action against the Guarantor and shall apply irrespective of any indulgence granted to the Issuer by the Agent or any Loan Noteholder from time to time and shall continue in full force and effect notwithstanding any judgment or order against the Issuer and/or the Guarantor. However, when enforcing the Guarantee, Loan Noteholders shall not be entitled, and hereby waive any statutory right conferred to them, to file for the opening of bankruptcy proceedings (*Konkursbegehren*) pursuant to Art. 166 of the Swiss Federal Act on Debt Collection and Bankruptcy (*Bundesgesetz über Schuldbetreibung und Konkurs*) or to make other filings or motions which, if approved, will have similar effects on the Guarantor.
6. This Guarantee is governed by Swiss law.
7. Any dispute regarding this Guarantee which may arise between the Agent, the Guarantor and the Loan Noteholders shall be settled in accordance with Swiss law, the exclusive place of jurisdiction being Zurich."

Zürich, 16 June 2015.

Swiss Life Holding AG

Name:

Function:

Name:

Function:

USE OF PROCEEDS

The Issuer will use the net cash proceeds of the Issue for refinancing and general corporate purposes.

DESCRIPTION OF SWISS LIFE GROUP

Swiss Life Group

The Swiss Life Group is one of Europe's leading comprehensive life and pensions and financial solutions providers. It is the largest life insurance provider in Switzerland in terms of gross written premiums. In its core markets of Switzerland, France and Germany, Swiss Life Group offers individuals and corporations comprehensive and individual advice plus a broad range of own and partner products through its own sales force and distribution partners such as brokers and banks.

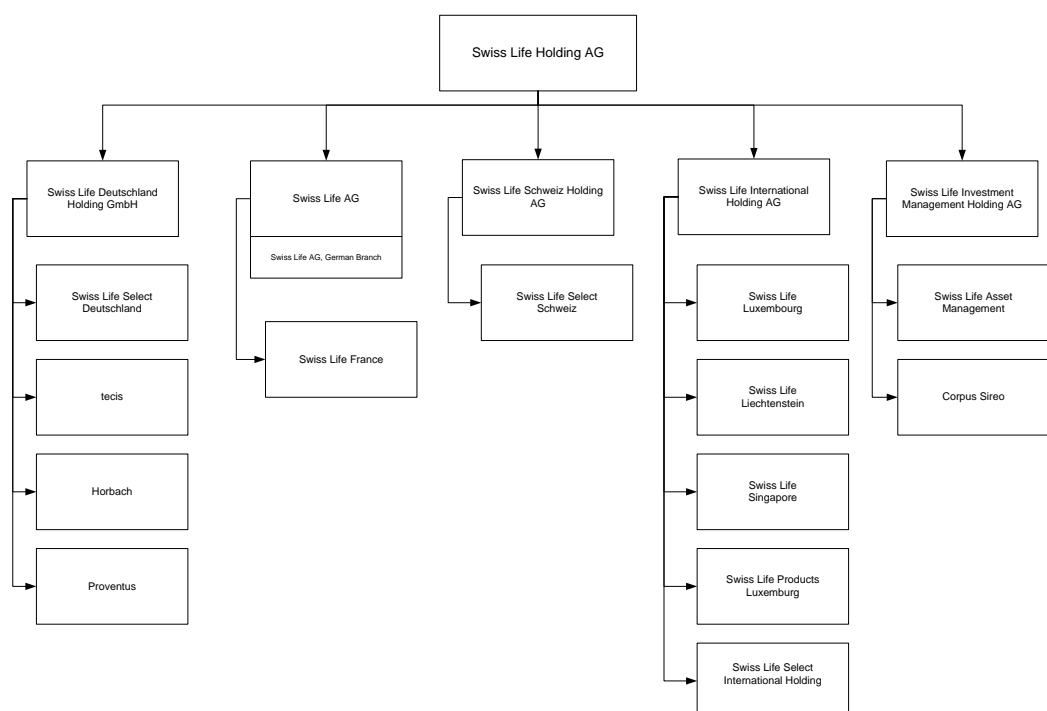
Through its International Division, Swiss Life Group provides multinational corporations with employee benefits solutions and high net worth individuals with structured life and pensions products.

Swiss Life Select, tecis, HORBACH, Proventus and Chase de Vere advisors choose suitable products for customers from the market according to the Best Select approach. The Best Select approach means that financial advisors thrive to find suitable solutions for their customers from a large universe of products.

Swiss Life Asset Managers offers institutional and private investors access to investment and asset management solutions.

Group structure

Swiss Life Group comprises over 150 companies in 13 countries (as of 31 December 2014). In simplified form, the legal structure of Swiss Life Group as per 31 December 2014 can be summarised as follows:



The holding company of Swiss Life Group is Swiss Life Holding AG, Zurich (Switzerland), a public limited company in accordance with Swiss law.

The majority of Swiss Life Group's life insurance activities are carried out by Swiss Life AG, either directly through branch offices or through its subsidiaries and associates.

Strategy

Overview

Swiss Life Group believes it has an attractive position in its markets in Europe, a clear strategy, strong corporate values and a powerful brand. With its group-wide programme "Swiss Life 2015", Swiss Life Group continues to strengthen key parts of its value chain by focusing on the following five strategic thrusts:

- 1 **Customer promise** - Swiss Life increases the quality and quantity of touch points with its customers
- 2 **Offering** - Swiss Life focuses its own solutions on profitable and flexible products and expands its third-party offering
- 3 **Distribution** - Swiss Life further strengthens its advisory expertise and manages its production and distribution organisations in each market under one roof
- 4 **Efficiency and quality** - Swiss Life continues to strengthen its operational effectiveness
- 5 **Financial strength** - Swiss Life enhances its financial strength and the resilience of its business model

The latest financial market crisis has shown that confidence has largely been maintained in private pension systems, as opposed to other parts of the financial sector. National debt increases and savings measures introduced in various European countries are expected to intensify the pressure on public pension systems. In order to compensate for demographic and economic trends, private and occupational employee benefits institutions are expected to gain greater significance in the future.

This offers life insurance companies, with their core competencies centred on covering biometric risks and offering long-term pension solutions, good prospects for growth. However, the current market environment also poses some challenges to life insurers, such as historically low or even negative interest rates, changes in regulation, maintaining operational excellence, product innovation and efficient customer access.

Increasing competitiveness and profitability

Swiss Life Group's targets under its group-wide programme "Swiss Life 2015" include a return on equity of 8% to 10% adjusted for unrealised gains/losses on fixed-interest investments, a new business margin of over 1.5%, cost savings of CHF 130 to 160 million (which were fully achieved by end of 2014) and further diversification of profit sources until end of 2015.

Moreover, Swiss Life Group's programme includes qualitative ambitions designed to expand its market position by aligning all processes to benefit the customer. In this context, Swiss Life Group has strengthened its production and distribution organisations in Germany and Switzerland by consolidating their management under one roof to optimise market management and exploit synergies.

Insurance and distribution

Overview

The roots and tradition of a company founded more than 150 years ago enable Swiss Life Group to build on its traditional strengths in the life and risk insurance and pension business which include product knowledge and risk expertise, quality of advice and services and well-established distribution networks.

The life insurance operations of Swiss Life Group include a comprehensive range of risk protection and long-term savings products aimed at both individual and corporate customers. Other insurance operations include health and property and casualty insurance. The total gross written premiums, policy fees and policyholder deposits for the year ended 31 December 2014 amounted to CHF 19 billion (2013: CHF 18 billion).

From a strategic point of view, Swiss Life Group concentrates its insurance operations on selected European markets, in particular Switzerland, France, Germany and Luxembourg.

Swiss Life Switzerland

Swiss Life Switzerland is a comprehensive life and pensions and financial solutions provider and the leading provider in the private and occupational pensions sector with over one million insured persons. Swiss Life Switzerland offers its customers broad access via its multichannel strategy.

As the leading life insurance provider in the Swiss domestic market, Swiss Life Switzerland offers a wide range of corporate and personal solutions for all life insurance and pension requirements and various risk situations related thereto.

Products

Swiss Life Switzerland's life insurance business is divided into two segments: individual life insurance and group life insurance.

Individual life insurance products consist of pensions as well as products covering mortality and disability risks that are often combined with savings elements. Premiums can take the form of regular payments or single premiums, while benefits can be paid as regular annuities, a lump sum or a combination of both. Swiss Life Switzerland offers a full range of products which use various combinations of these elements. Swiss Life Switzerland offers traditional life insurance products, characterised by guaranteed benefits, as well as unit-linked products (with or without capital protection). The products offered by Swiss Life Switzerland can be structured to fall within the limits necessary to qualify for tax advantages as part of the "third pillar" (individual pension-related savings scheme) of the Swiss pensions system or can be written without such limitations and tax advantages.

Group life insurance: in Switzerland, the BVG requires employers to maintain an occupational pension plan for employees. The law requires the employer to arrange for a pension institution to provide for that occupational pension plan, and Swiss Life Switzerland offers insurance coverage for such pension institutions. Swiss Life Switzerland also has a significant non-mandatory group life insurance business.

BVG products may be offered to cover either the mandatory part or the non-mandatory part of the BVG or, as an integrated solution, to cover both parts.

Other products offered by Swiss Life Switzerland include products provided to semi-autonomous and autonomous pension institutions where only certain risks, not already insured by the pension institutions elsewhere, are covered. Swiss Life Switzerland also provides tailor-made investment products, with a comparatively larger risk element as compared to the savings element, to large entities with autonomous pension institutions seeking a flexible investment strategy over which they have control. The investment risk of these products lies with the pension institutions.

The category of group insurance products also encompasses a small number of individual insurance products which utilise the technical bases of group insurance products but are aimed at individuals with vested benefits who are leaving an existing pension institution but not joining another, who become self-employed, or who have invested their pension funds in buying real estate for own usage.

Swiss Life Switzerland aims to offer its clients a full-range of insurance solutions also including tailored products and services that reflect customer's individual risk tolerance. Swiss Life Switzerland complements its full insurance contracts by pension solutions without traditional guarantees for small and medium-sized companies. In addition, Swiss Life Switzerland offers services to pension funds and larger corporations on a fee basis.

Distribution

Swiss Life Switzerland offers broad access to its clients via its multichannel strategy. Its own distribution force in its home market comprises about 600 tied agents distributed among 40 general agencies. The insurance advisors are specialists in life insurance and pensions solutions for corporate and private clients. They also provide their clients with partner products such as savings solutions, property insurance and healthcare insurance. The real estate specialists offer advisory and broker services related to the purchase of residential property.

The Swiss Life Select advisors choose suitable products for customers from the market according to the Best Select approach. Swiss Life Select has about 700 financial advisors in Switzerland and is present at 15 locations.

Independent distribution partners, i.e. brokers and banks, plus online and direct channels complete the distribution network of Swiss Life Switzerland.

Clients

Swiss Life Switzerland's individual life insurance business targets a wide range of private clients. The group life insurance business in Switzerland targets the pension institutions of small and medium-sized but also larger corporations.

Swiss Life France

Swiss Life France operates multiple lines of business in order to provide its clients comprehensive wealth planning (savings and wealth development, pension planning, private banking, asset management and property and casualty insurance) and personal protection (health, death & disability, credit life). Its offerings for individual and group clients are distributed by its own sales force, brokers, independent financial advisors and distribution partnerships with banks. The typical client base, particularly for its wealth planning offerings, are affluent and high-net worth individuals.

Swiss Life Banque Privée (a subsidiary of Swiss Life France) supports the positioning in wealth planning and also acts as an intermediary in the financial markets on behalf of Swiss Life Asset Management (France) as well as custodian of the latter's investment portfolio.

Swiss Life Germany

Swiss Life Germany is a leading financial advisory and insurance company. Under the Swiss Life brand the company offers private and corporate clients innovative insurance products and services in pensions saving and financial security. Core competencies are occupational disability insurance, occupational pensions, care insurance and modern guarantee concepts. Distribution is organised via cooperation with brokers, independent financial advisers and banks as well as the owned IFAs in Germany: Swiss Life Select, HORBACH, tecis and Deutsche Proventus.

These brands represent holistic and individual financial advice. The Best Select advisory approach enables customers to make an informed choice from a range of suitable solutions from selected product partners.

Swiss Life International

From its Luxembourg and Singapore offices Swiss Life International offers sophisticated life solutions to high net worth individuals. The product portfolio comprises private placement life insurance concepts, combining an investment portfolio with structured life insurance solutions.

Corporate Clients, a business line of Swiss Life International, provides multinational corporations with employee benefit solutions together with the Swiss Life Network and offers expatriate products through its insurance carrier in Luxembourg.

Financial advisors from Swiss Life Select in Austria, the Czech Republic and Poland, as well as Chase de Vere in the UK also operate under the Swiss Life International umbrella. Swiss Life Select advisors choose the most suitable products for customers from the market by applying the Best Select approach.

Swiss Life Asset Managers

The investment management operations of Swiss Life Group manage assets from both Swiss Life Group's insurance operations and from third-party investors including its own and third-party real estate portfolios. Under the group-wide "Swiss Life 2015" programme, Swiss Life Asset Managers has substantially increased its third-party business.

In October 2014, Swiss Life Group acquired a 100% share in CORPUS SIREO Holding GmbH & Co. KG, Cologne, a leading independent real estate asset management service provider in Germany.

Through the acquisition, Swiss Life Asset Managers significantly strengthened its position in Germany, and positioned itself as a leading European real estate service provider with over CHF 60 billion in real estate under management and administration.

Risk management

Overview

Swiss Life Group pursues an integrated, value-oriented risk management approach, involving both quantitative and qualitative elements. The goal is to protect customers' funds and ensure the optimal use of risk capital, while complying with the regulatory requirements and taking into account continued challenging economic conditions.

Risk management is a key component of Swiss Life Group's management process. The respective committees of the corporate executive board and the board of directors monitor and take decisions in the area of risk management; these are then incorporated into the annual planning process. On the one hand, they comprise qualitative assessments from a strategic perspective and taking into consideration operational risks and the internal control system (ICS). On the other hand, quantitative elements for each insurance unit, such as risk budgeting and investment strategy, are included in asset and liability management. Based on the overall risk capacity and risk appetite and taking account of regulatory requirements, limits are set in the individual units for the financial risks incurred, according to which the investment targets are pursued.

Quantitative Risk Management

The risk capacity and the risk appetite of the Swiss Life Group's insurance operations are primarily defined based on economic principles. To control and limit exposure to risks, capital and exposure limits are defined. They include overall market risk capital, credit risk capital and, more specifically, interest rate risk capital and credit spread risk capital as well as equity exposure. The main objective of the ALM process is to ensure that the Swiss Life Group's insurance operations can meet their commitments to policyholders at all times while also adequately compensating shareholders for making risk capital available. Based on the economic principles of risk management and on the risk appetite definition applied in the risk budgeting process, ALM comprises the following main activities: the determination of the strategic asset allocation and of the risk capital and exposure sublimits.

The ALM process is centrally coordinated and steered at Group level by means of local asset and liability management committees with representatives from local senior management and representatives from the Group. The local units are in charge of implementing the decisions. The process requires the involvement of investment management, finance, actuarial and risk functions.

Strategic risk management

Swiss Life Group uses analytical methods to ensure that strategic risks are dealt with adequately in what continues to be a very challenging economic environment. In its strategic risk management process, Swiss Life Group incorporates all the information on risks and the risk/return characteristics in its strategic decisions. A thorough understanding of the interplay of individual risks is essential to take into account the factors influencing risks during strategy development so that these factors can be steered appropriately.

Operational risk management and internal control system

The operational risk management (ORM) of Swiss Life Group includes the methods and processes used for the identification, assessment and steering or avoidance of operational risks. ORM defines operational risk as the danger that losses may result from shortcomings or failures in internal processes, people or sys-

tems, or from external events. Swiss Life Group's ICS consists of the entirety of procedures, methods and measures prescribed by the board of directors and the corporate executive board to ensure the orderly conduct of business. The focus is on the reliability of financial reporting, the effectiveness of business processes and compliance with laws and regulations issued to protect the group's assets.

Recent developments

For information on recent developments see "Documents incorporated by reference": media release of the Swiss Life Group with respect to the business development in the first quarter of 2015.

On 21 May 2015, S&P raised SL's rating from "A-" with positive outlook to "A" with stable outlook.

Board of directors and corporate executive board

Board of directors

The articles of incorporation of the Issuer provide that the board of directors must consist of at least five members but not more than 14 members. Each member of the board of directors is elected by the general meeting of shareholders on an individual basis for a one-year period. The term of one year is deemed to signify the period from one annual general meeting up to and including the next. Members whose terms of office are expiring are eligible to stand for immediate re-election.

The board of directors is ultimately responsible for the Issuer's strategy and policies and for the supervision of its management. The board of directors establishes the strategic, accounting, organisational and financing policies to be followed by the management of the Issuer, it appoints the executive officers and authorised signatories of the Issuer and supervises the operations of the Issuer.

Furthermore, the board of directors is entrusted with the preparation of shareholders' meetings and with the carrying out of shareholders' resolutions. The board of directors has, in accordance with the articles of incorporation and pursuant to written by-laws, delegated the conduct of business operations to the corporate executive board, which remains under its control and supervision. Pursuant to the by-laws, the board of directors has established the following committees: (i) the chairman's and corporate governance committee; (ii) the investment and risk committee; (iii) the audit committee; and (iv) the compensation committee. The board of directors can establish additional special committees for specific duties.

The Issuer currently has a board of directors of 11 members, all of which are non-executive board members. Resolutions of the board of directors are adopted with a majority of votes cast. In the event of deadlock, the chairman has the

deciding vote. Resolutions may also be adopted by way of written consent to a proposition.

Information on further directorships held by individual members of the Issuer's board of directors is provided below. The members of the board of directors are as follows:

Board of directors of the Issuer

Name	Main function	Year appointed¹
Rolf Dörig	Chairman	2008
Gerold Bühler	1 st Vice Chairman	2002 ²
Frank Schneulin	Vice Chairman	2009
Wolf Becke	Member	2012
Adrienne Corboud Fumagalli	Member	2014
Ueli Dietiker	Member	2013
Damir Filipovic	Member	2011
Frank W. Keuper	Member	2013
Henry Peter	Member	2006
Franziska Tschudi Sauber	Member	2003
Klaus Tschütscher	Member	2013

After serving for 11 years on SL Holding's board of directors, Peter Quadri stepped down from the board of directors with effect from the general meeting of shareholders on 23 April 2014. Adrienne Corboud Fumagalli was newly elected to the board of directors.

The business address of the members of the board of directors is at c/o Swiss Life AG, General-Guisan-Quai 40, CH-8002 Zurich. For more details on the board of directors, its members and committees please see pages 29 to 41 of the Issuer's Annual Report 2014.

¹ In order to implement the Federal Ordinance against Excessive Compensation in Listed Stock Companies (Compensation Ordinance, VegüV), which came into force on 1 January 2014, the general meeting of shareholders on 23 April 2014 passed a resolution to amend the articles of association. Under the revised articles of association, members of the board of directors are to be elected for a one-year term of office, as had already been introduced by Swiss Life at the 2013 general meeting and also implemented at the 2014 and 2015 general meetings.

² Member of the board of directors of Swiss Life Ltd since 2000.

Corporate executive board of the Issuer

Name	Position
Patrick Frost	Group Chief Executive Officer
Thomas Buess	Group Chief Financial Officer
Stefan Mächler	Group Chief Investment Officer
Ivo Furrer	Chief Executive Officer Switzerland
Charles Relecom	Chief Executive Officer France
Markus Leibundgut	Chief Executive Officer Germany
Nils Frowein	Chief Executive Officer International

Bruno Pfister, Group CEO until 30 June 2014, decided to take a new career path after 12 years at Swiss Life and handed over to Patrick Frost, Group CIO until 30 June 2014, on 1 July 2014. Stefan Mächler succeeded Patrick Frost as Group CIO on 1 September 2014. Manfred Behrens, CEO Germany until 31 March 2014, retired. His responsibilities on the corporate executive board were assumed by Markus Leibundgut, previously Chief Operating Officer of Swiss Life Germany, on 1 April 2014. Nils Frowein, CEO International since January 2013, was appointed Member of the corporate executive board of the Swiss Life Group on 1 January 2015.

The business address of the members of the corporate executive board is at c/o Swiss Life AG, General-Guisan-Quai 40, CH-8002 Zurich. For more details on the corporate executive board and its members please see pages 42 to 47 of the Issuer's Annual Report 2014.

TAXATION

General

This following summary describes the principal tax consequences under the laws of Switzerland of the acquisition, ownership and disposal of Loan Notes for investors who are either Qualifying Banks or the Permitted Non-Qualifying Loan Noteholder. This summary does however not address the tax treatment of any other investors.

This summary is based on the tax laws, regulations and regulatory practices of Switzerland, as in effect on the date hereof, which are subject to change (or subject to changes in interpretation), possibly with retroactive effect, and a tax ruling with the Swiss Federal Tax Administration.

Loan Noteholders or prospective Loan Noteholders are advised to consult their own tax advisers in light of their particular circumstances as to the Swiss tax laws, regulations and regulatory practices that could be relevant for them in connection with acquiring, owning and disposing of Loan Notes and receiving interest, principal or other payments under the Loan Notes.

Withholding Tax

Payments by the Issuer of interest on, and repayment of principal of, the Loan Notes, will not be subject to Swiss Federal Withholding Tax (currently levied at a rate of 35%), provided that the aggregate number of holders of Loan Notes who are not Qualifying Banks will not at any time while any Loan Notes are outstanding exceed ten (Ten Non-Bank Rule; as defined in the Conditions), and the aggregate number of lenders to the Issuer (including holders of Loan Notes) under all of the Issuer's financial debt (including Loan Notes) who are not Qualifying Banks will not at any time while any Loan Notes are outstanding exceed twenty (Twenty Non-Bank Rule). The Conditions require the Issuer to comply at all times while any Loan Notes are outstanding with the Non-Bank-Rules and requires the holders of Loan Notes to comply with the restrictions on transfer of Loan Notes and grants of security which, inter alia, limit the holders of Loan Notes to one single Permitted Non-Qualifying Loan Noteholder and Qualifying Banks. The Swiss Federal Tax Administration confirmed in a tax ruling that Demeter Investments B.V., i.e., the initial Permitted Non-Qualifying Loan Noteholder, counts as one lender only for the purpose of the Non-Bank Rules.

On 17 December 2014 the Swiss Federal Council issued draft withholding tax legislation, which would include a change from the current issuer withholding tax system to a paying agent tax system. If enacted, such legislation may require a paying agent in Switzerland, such as for instance banks, to deduct the Swiss Federal Withholding Tax at a rate of 35%, subject to certain exceptions, on interest paid to, or credited to an account of, a beneficiary of a Loan Noteholder resident in Switzerland. If indeed such a tax were to be deducted or withheld with respect to (interest) payments under the Loan Notes, neither the Issuer nor

a paying agent nor any other person would, pursuant to the Conditions of the Loan Notes, be obliged to pay additional amounts with respect to any Loan Note as a result of the deduction or imposition of such Swiss federal withholding tax.

Stamp Taxes

Provided that at all times while any Loan Notes are outstanding the Issuer complies with the Non-Bank Rules and the Loan Noteholders comply with the transfer restrictions provided for in the Conditions, no Swiss Federal Stamp Taxes will be payable on the issuance of the Loan Notes or any subsequent transfer or assignment of the Loan Notes (see "Swiss Federal Withholding Tax" above for a summary of the transfer restrictions).

Swiss Corporate Income Tax

Non-resident Holders

A Loan Noteholder who is a corporate entity and not resident in Switzerland (including the Permitted Non-Qualifying Loan Noteholder as defined in the Conditions) and who during the fiscal year has not engaged in a trade or business carried on through a permanent establishment or a fixed place of business in Switzerland to which the Loan Note is attributable is in respect of such Loan Note not subject to income tax in Switzerland (see "Swiss Federal Withholding Tax" above for a summary on the Swiss Federal Withholding Tax).

Loan Notes held in Switzerland as Swiss business assets

Swiss resident corporate taxpayers and corporate taxpayers resident abroad holding Loan Notes through a permanent establishment or a fixed place of business in Switzerland are required to recognise the payments of interest and any capital gain or loss realised on the sale or other disposal of such Loan Note, in each case converted into Swiss francs at the exchange rate prevailing at the time of payment or sale, as applicable in their income statement for the respective tax period and are taxable on any net taxable earnings for such period.

Foreign Final Withholding Tax

On January 1, 2013 treaties on final withholding taxes between the Switzerland and the United Kingdom and between Switzerland and Austria entered into force. The treaties, inter alia, require a Swiss paying agent to levy a final withholding tax at specified rates in respect of an individual resident in the United Kingdom or resident in Austria, as applicable, on interest or capital gain paid, or credited to an account, relating to the Loan Notes. The final withholding tax substitutes the United Kingdom or Austrian income tax, as applicable, on such income of interest or capital gain. If such a final withholding were to be deducted or withheld from a payment of interest or capital gain relating to the Loan Notes, neither the Issuer nor any paying agent nor any other person would, pursuant to the Conditions be obliged to pay additional amounts with respect to any Loan Note as a result of the deduction or imposition of such foreign final withholding

tax. A Loan Noteholder may, however, in lieu of the final withholding tax, opt for voluntary disclosure of the interest or capital income to the tax authority of his or her country of residency.

EU Savings Tax

Under Council Directive 2003/48/EC of 3 June 2003 (as amended by Council Directive 2014/48/EU adopted by the European Council on 24 March 2014) on the taxation of savings income (the "**EU Savings Directive**"), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State.

On 26 October 2004, the European Union and Switzerland entered into an agreement on the taxation of savings income pursuant to which Switzerland will adopt measures equivalent to those of the EU Savings Directive (the "**EU-Swiss Savings Tax Agreement**"). In accordance with the EU-Swiss Savings Tax Agreement and the Swiss law implementing it, Swiss paying agents, if any, have to withhold tax at a rate of 35% on interest payments made under the Loan Notes to a beneficial owner who is an individual and resident of an EU member state, with the option of the individual to have the paying agent and Switzerland provide to the tax authorities of the EU member state the details of the interest payments in lieu of the withholding.

On 24 March 2014, the Council of the European Union adopted a Council Directive 2014/48/EU amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the EU Savings Directive, in particular to include additional types of income payable on securities. The EU Savings Directive will also apply a "look through approach" to payments made via certain persons, entities or legal arrangements (including trusts and partnerships), where certain conditions are satisfied, where an individual resident in a Member State is regarded as the beneficial owner of the payment for the purposes of the EU Savings Directive. This approach may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

Switzerland and the European Commission have commenced negotiations on certain amendments to the EU-Swiss Savings Tax Agreement, which may, if implemented, amend or broaden the scope of the requirements described above. On March 19, 2015 Switzerland and the European Union initialled an agreement regarding the introduction of the global standard for the automatic exchange of information in tax matters ("**AEOI**"). The AEOI will replace the EU-Swiss Savings Tax Agreement that has been in force since 2005 and will apply for all 28 EU member states.

Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("**FATCA**") impose a new reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a "foreign financial institution", or "**FFI**" (as defined by FATCA)) that does not become a "Participating FFI" by entering into an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States account" of the Issuer (a "**Recalcitrant Holder**"). The Issuer is classified as an FFI and the Guarantor may be classified as an FFI.

The new withholding regime is now in effect for payments from sources within the United States and will apply to "foreign passthru payments" (a term not yet defined) no earlier than 1 January 2017.

The United States and a number of other jurisdictions have entered into inter-governmental agreements to facilitate the implementation of FATCA (each, an "**IGA**"). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a "**Reporting FI**" not subject to withholding under FATCA on any payments it receives. Further, an FFI in an IGA jurisdiction generally would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being "**FATCA Withholding**") from payments it makes. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and Switzerland have entered into an agreement (the "**U.S.-Switzerland IGA**") based largely on the Model 2 IGA.

If the Issuer and Guarantor are treated as Reporting FIs pursuant to the U.S.-Switzerland IGA they do not anticipate that they will be obliged to deduct any FATCA Withholding on payments they make. There can be no assurance, however, that the Issuer and Guarantor will be treated as Reporting FIs, or that they would in the future not be required to deduct FATCA Withholding from payments they make. Accordingly, the Issuer, Guarantor and financial institutions through which payments on the Loan Notes are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Loan Notes is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should

consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Loan Notes.

TRANSFER RESTRICTIONS

General

Transfers of Loan Notes shall be made in accordance with the provisions of Condition 9. A Loan Note may only be assigned or transferred (a "**Transfer**" and "**Transferred**" shall be construed accordingly), in whole or in part, but only if the Transfer is:

- (i) in whole or in part, if the Transfer is to a Qualifying Bank, provided that in the case of a Transfer of the Loan Notes in part, the Loan Notes may not be transferred to more than 5 Qualifying Banks, or
- (ii) in whole but not in part, if the Transfer is to a Permitted Non-Qualifying Noteholder, i.e. initially, Demeter Investments B.V., Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands ("**Demeter**") and a successor of Demeter by way of Transfer of all of the Loan Notes (subject to the provisions set out in the Conditions).

Subject to a permitted Transfer, no Loan Noteholder shall transfer its credit exposure under the Loan Notes to third parties by way of entering into derivative transactions, sub participations or similar instruments with such third parties, unless under such arrangement and at any time throughout the life of such arrangement:

- (i) the relationship between the Loan Noteholder and that other person is that of debtor and creditor (including in the bankruptcy or similar event of the Loan Noteholder or the Issuer);
- (ii) the other person will have no proprietary interest in the benefit of the Loan Notes or in any monies received by the Loan Noteholder under or in relation to the Loan Notes; and
- (iii) the other person will under no circumstances, other than permitted Transfers (A) be subrogated to, or substituted in respect of, the Loan Noteholder's claims under the Loan Notes and (B) have otherwise any contractual relationship with, or rights against, the Issuer or the Guarantor under or in relation to the Loan Notes.

For the avoidance of doubt, the granting of security in accordance with Condition 10 will not be subject to the foregoing limitations.

Title to the relevant Loan Note passes only on due registration in the Register. The Loan Notes will be issued in certificated, registered form, and will bear a legend setting forth the applicable transfer restrictions.

U.S. Securities Law Restrictions

The Loan Notes have not been, and will not be registered, under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or resold in the United States (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws. The Loan Notes are not being offered in the United States or to U.S. persons.

Restrictions Applicable in the United Kingdom

This Information Memorandum is for distribution only to, and is only directed at, persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the FSMA (Financial Promotion) Order 2005, as amended, (the "**Financial Promotion Order**"), (ii) are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of any Loan Notes and the issue of any securities upon substitution of the Loan Notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This Information Memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Information Memorandum relates is available only to relevant persons and will be engaged in only with relevant persons.

Restrictions Applicable in Switzerland

The Loan Notes may not be publicly offered, sold, or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or any other exchange or regulated trading facility in Switzerland.

Neither this Information Memorandum nor any other offering and marketing material relating to the offering of the Loan Notes, the Loan Notes or SL have been or will be filed with or approved by any Swiss regulatory authority. The Loan Notes themselves are not subject to the supervision by FINMA or any other Swiss regulatory authority, and investors in the Loan Notes will not benefit from protection or supervision by any such authority.

Restrictions Applicable in Other Jurisdictions

The distribution of this Information Memorandum in other jurisdictions may be restricted by law and persons into whose possession this Information Memorandum comes should inform themselves about, and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of U.S. securities laws or the laws of any such other jurisdictions.

GENERAL INFORMATION

Authorisations

The issuance of the Loan Notes was authorised by SL by resolutions of the board of directors of SL passed on 27 April 2015.

Statement of no material adverse change

There has been no material adverse change in the prospects of SL since 31 December 2014, the date of its last published audited financial statements. There has been no significant change in the trading position or the financial position of the Swiss Life Group since 31 December 2014, the end of the last financial period for which financial information for the Swiss Life Group has been published.

Litigation

Except as it may otherwise be indicated in this Information Memorandum, we have not been involved in any litigation, governmental, or arbitration proceedings, including any such proceedings which are pending or threatened of which we are aware, during the 12 months preceding the date of this Information Memorandum which may have, or have had in the recent past, a significant effect on our financial position.

Independent Auditors

The consolidated financial statements of the Swiss Life Group prepared in accordance with IFRS as of and for the years ended 31 December 2013 and 2014, have been audited by PricewaterhouseCoopers Ltd, Birchstrasse 160, CH-8050 Zurich, as independent auditors, as stated in their reports incorporated by reference into this Information Memorandum.

PricewaterhouseCoopers Ltd is a member of the Swiss Institute of Certified Accountants and Tax Experts.

Documents Available for Inspection

Printed copies of this Information Memorandum can be obtained free of charge at the offices of the Agent at One Canada Square, London E14 5AL, United Kingdom.

Copies of the consolidated audited financial statements of the Swiss Life Group (including the notes thereto and the auditors' reports) as at, and for the years ended 31 December 2014 and 2013 and the media release of the Swiss Life Group with respect to the business development in the first quarter of 2015 dated 12 May 2015 can be downloaded from the website www.swisslife.com, following the link to Investors, Results & Reports and Info Kits.

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