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RISK FACTORS

*Prospective investors should carefully consider the risk factors set out below, together with the other information contained in this Offering Memorandum (including but not limited to the audited consolidated financial statements), before making an investment decision with respect to the Notes. If any of the following risks should actually occur, the business, revenues, results, financial condition and prospects of Athora Netherlands N.V. and its subsidiaries (together, the **Athora Netherlands Group**) could be materially adversely affected, which could result in an inability of Athora Netherlands to pay interest and/or principal and could negatively affect the price of the Notes.*

Although Athora Netherlands believes that the risks and uncertainties described below are the material risks and uncertainties, they are not the only ones faced by the Athora Netherlands Group. All of these factors are contingencies which may or may not occur. Additional risks and uncertainties not presently known to Athora Netherlands or that Athora Netherlands currently deems immaterial may also turn out to have a material adverse effect on the business, revenues, results, financial condition and prospects of the Athora Netherlands Group, which could result in an inability of Athora Netherlands to pay interest and/or principal and could negatively affect the price of the Notes.

Prospective investors should carefully review the entire Offering Memorandum, and should form their own views before making an investment decision with respect to the Notes. Before making an investment decision with respect to the Notes, prospective investors should also consult their own financial, compliance, legal and tax advisers to carefully review the risks associated with an investment in the Notes and consider such an investment decision in light of the prospective investor's personal circumstances and should perform their own due diligence before making an investment decision. The sequence in which the risk factors are presented below, and any quantitative historical impacts and sensitivities included, are not indicative of their likelihood of occurrence or the potential magnitude of their financial consequences in the future.

Words and expressions defined in "Terms and Conditions of the Notes" below or elsewhere in this Offering Memorandum have the same meanings in this section, unless otherwise stated.

Risks Related to Athora Netherlands and the Athora Netherlands Group

General

COVID-19 and emergence of new diseases

The outbreak of the novel strain of coronavirus, shutdowns and other restrictive measures implemented by authorities around the world in an attempt to contain the spread of the disease have led to an economic downturn in many countries, as well as increased uncertainty in financial and other markets. The severity and duration of the resulting adverse impact on the global economy including on the value of investments is currently uncertain and there is no certainty that measures to restrict the spread of the disease or to mitigate its impacts will be effective.

Lockdown and other restrictive measures introduced in the Netherlands and in other countries have required the Athora Netherlands Group to invoke contingency plans for remote working, involving the cancellation of physical meetings and changes to working locations. As at the date of this Offering Memorandum, all of the Athora Netherlands Group's critical business services are being maintained. However, the changes made to the Athora Netherlands Group's operating model to move to remote working may increase the risk of cyber-attacks as well as operational losses arising from sources such as pricing errors, claims processing errors and fraudulent claims.

In addition, the Athora Netherlands Group continues to monitor the risks posed by COVID-19 and may take further actions required by relevant authorities or those actions it determines are necessary in the interests of

employees, customers, policyholders and other stakeholders. The implementation of such measures (or their insufficiency) could result in reduced personnel availability which could in turn adversely impact the quality and continuity of service to customers and the business and reputation of the Athora Netherlands Group.

The effects of the outbreak of the disease and the degree to which the disease impacts the Athora Netherlands Group over the medium to long term will depend on future developments, which, as at the date of this Offering Memorandum, are uncertain. If there are prolonged or recurring outbreaks of COVID-19, which is the case as at the date of this Offering Memorandum, or further diseases emerge that give rise to similar effects, macroeconomic conditions may be materially and adversely affected and may lead to a further economic downturn in the Netherlands, in the areas in which the Athora Netherlands Group operates and the global economy more widely as well as declines in financial markets and in the value of investments (which could in each case be widespread, severe and long-lasting). This could lead to lower investment income. The volatility of financial markets may lead to lower future solvency of the Athora Netherlands Group.

The COVID-19 outbreak affects society and the health of the customers of the Athora Netherlands Group. The outbreak also influences the underwriting risks, market risk (especially equity risk, interest rate risk and spread risk) and liquidity risk of the Athora Netherlands Group. The measures implemented by governments globally against the COVID-19 virus could have an influence on the revenue/premiums and technical provisions of the Athora Netherlands Group. This could have a direct effect on the operational and financial results of the Athora Netherlands Group.

All the above factors could, individually or taken together, materially and adversely impact the business, results of operations and financial condition of the Athora Netherlands Group.

Strategic Risks

The Athora Netherlands Group is exposed to risks of damage to its reputation

The Athora Netherlands Group is exposed to the risk that its reputation is damaged. Such reputational damage could, for example and not exclusively, be caused by any of the following occurring or having occurred in respect of the Athora Netherlands Group (whether actually or allegedly and whether or not founded):

- non-compliance with legal or regulatory requirements (including financial regulatory rules, anti-money laundering rules and data privacy rules);
- litigation and regulatory measures (including investigations);
- adverse events (including those as described herein or any malpractice or misconduct) occurring in relation to its shareholder Athora Netherlands Holding Limited, its indirect shareholder Athora Holding Ltd. and/or its subsidiaries (the **Athora Group**) or any third party directly or indirectly linked to the Athora Group, such as personnel, affiliates, shareholders, intermediaries, partners, business promoters, third party managers or customers (including politically exposed persons);
- failures in the information technology systems or cyber attacks on Athora Netherlands Group, loss of customer data or confidential or privacy related information;
- failure in risk management procedures;
- press speculation or negative publicity; or
- any of the above occurring or having occurred in respect of any third party directly or indirectly linked to the Athora Netherlands Group such as personnel, the Athora Group, affiliates, shareholders, intermediaries, partners, business promoters, third party managers or customers.

Any damage to the reputation of the Athora Netherlands Group could cause existing customers to withdraw their business from the Athora Netherlands Group and potential customers to be reluctant to or electing not to do business with the Athora Netherlands Group, and thereby cause disproportionate damage to the Athora Netherlands Group's business, regardless of whether the negative publicity is factually accurate. Furthermore, reputational damage could result in greater regulatory scrutiny and influence market or rating agency

perception of the Athora Netherlands Group, which could make it more difficult for Athora Netherlands and/or other group members to maintain their credit rating. This could have a material adverse effect on the Athora Netherlands Group's business, revenues, results, financial condition and prospects. Furthermore, certain of the insurance products and services of the Athora Netherlands Group are distributed through third parties or form part of broader products and services sold by third parties. Any reputational damage in respect of such third parties or such broader products and services could result in significant damage to the reputation of the Athora Netherlands Group, which could in turn greatly hinder the Athora Netherlands Group's ability to retain clients or compete for new business, which could also have a material adverse effect on the Athora Netherlands Group's business, revenue, results, financial condition and prospects.

The network of intermediaries and advisors of the Athora Netherlands Group is an important distribution channel and the Athora Netherlands Group may be unable to maintain a competitive distribution network

The Athora Netherlands Group uses a variety of distribution channels in the Netherlands for the marketing and offering of its insurance products and services, including internet, call centres, specialized intermediaries and actuarial advisors. A substantial part of the distribution of the Athora Netherlands Group originates from distribution of its products and services by intermediaries and advisors who may also offer competitors' products and services. As a result, the success of the Athora Netherlands Group through these distribution channels depends on the preferences of these intermediaries and advisors for the products and services of the Athora Netherlands Group. Preferences of intermediaries and advisors are determined by, *inter alia*, the security of investment and prospects for future investment returns in the light of a company's product offering, past investment performance, financial strength and perceived stability, ratings, the quality of the product and the quality of the service provided to the intermediaries and advisors, fees charged in relation to complex financial products such as life insurance, pensions, mortgages and compensation for non-complex financial products. An unsatisfactory assessment by an intermediary and/or advisor of the Athora Netherlands Group and its products based on any of these factors could result in the Athora Netherlands Group generally, or in particular certain of its products, not being actively marketed by intermediaries and advisors to their customers in the Netherlands.

In seeking to attract and retain successful intermediaries and advisors, the Athora Netherlands Group competes with other institutions primarily on the basis of its support services, product features, financial position and compensation for non-complex financial products. Besides that, the Athora Netherlands Group is always working on new strategies and plans relating to its distribution network. However, apart from all efforts and new strategies and plans, the extensive network of intermediaries and advisors of the Athora Netherlands Group as important distribution channel remains an inherent part of its business and a failure by the Athora Netherlands Group to maintain a competitive distribution-network could have a material adverse effect on the Athora Netherlands Group's business, revenues, result of operations, financial conditions and prospects.

The Athora Netherlands Group faces substantial competitive pressures

There is substantial competition in the Netherlands for the insurance products and services that the Athora Netherlands Group provides from insurance companies, intermediaries, financial advisers, banks, asset managers and other institutions (e.g. fintech, start-ups), both for the ultimate customers for the Athora Netherlands Group's products and for distribution through third party distribution channels. If the Athora Netherlands Group is unable to offer attractive products and services that are profitable, it may lose market share or incur losses on some or all of its activities. Consumer demand, technological changes, regulatory actions and other factors also affect competition. Competitive pressures could result in increased pricing pressures, particularly as competitors seek to win market share. This may harm the ability of the Athora Netherlands Group to maintain or increase profitability.

Sales of life insurance and pension products in the Netherlands have been declining since 2008 and are expected to decrease further

Sales of life insurance and pension products in the Netherlands have declined since 2008, mainly due to:

- low interest rates;
- changes in tax and pension laws, resulting in less attractive insurance products compared to alternative products with similar tax benefits;
- a trend in moving away from traditional defined benefit schemes, because of low interest rates and higher cost;
- adverse market sentiment relating to investment-linked products; and
- a changed mortgage market, resulting in the sale of mortgages with less life insurance products attached (*i.e.*, savings mortgages and investment-linked mortgages).

A continued decline in sales volumes could have a material adverse effect on the Athora Netherlands Group's business, revenues, results, financial condition and prospects.

The Athora Netherlands Group could fail to effectively identify or execute strategic acquisitions, joint ventures, partnerships, investments or divestments, and if such transactions are pursued, the Athora Netherlands Group could fail to successfully implement and exploit them or realise anticipated benefits in a timely manner

The Athora Netherlands Group could selectively pursue opportunities to acquire, form joint ventures with or enter into partnerships in respect of or make investments in businesses, products, technologies or innovations which complement the Athora Netherlands Group's business and growth strategy. Divestments may also be beneficial for the Athora Netherlands Group's business, focus and strategy. The Athora Netherlands Group may not be able to identify suitable candidates for such acquisitions, joint ventures, partnerships, investments or divestments, or if the Athora Netherlands Group does identify suitable candidates, it may not be able to complete any transaction on acceptable terms, or at all. Any acquisitions, joint ventures, partnerships, investments or divestments by the Athora Netherlands Group could entail risks, such as:

- difficulties in realising cost, revenue or other anticipated benefits from the acquired business, the joint venture, partnership, investment or divestment;
- costs of executing the acquisition, joint venture, partnership, investment or divestment, both in terms of capital expenditure and increased management attention;
- potential for undermining the Athora Netherlands Group's strategy, the Athora Netherlands Group's relationship with customers, intermediaries and/or partners or other elements critical to the success of the Athora Netherlands Group's business;
- liabilities or losses resulting from the Athora Netherlands Group's control of the acquired business, participation in the joint venture or partnership, investment or divestment;
- liabilities or losses resulting from claims under guarantees, representations and warranties, and/or indemnities given by the Athora Netherlands Group to its counterparties in relation to an acquisition, joint venture, partnership, investment or divestment;
- difficulties in integrating an acquired business in the Athora Netherlands Group's business or realising cost reductions from such integration; or
- difficulties in integrating and exercising effective internal controls with respect to the acquired business both within the acquired business and within the Athora Netherlands Group,

any of which, alone or in aggregate, could have a material adverse effect on the Athora Netherlands Group's business, revenues, results, financial condition and prospects.

Prolonged investment underperformance of the Athora Netherlands Group's assets under management may cause existing customers to withdraw funds and potential customers not to grant investment mandates

When buying investment products or selecting an asset manager, customers (including retail investors, institutional investors and intermediaries) typically consider, among others, the historic performance of the investment products or assets under management and the responsible asset management teams and individuals. Consequently, if the Athora Netherlands Group, in comparison to its competitors, underperforms for a prolonged period in time in relation to its investments, for instance if the Athora Netherlands Group (including ACTIAM N.V. (**ACTIAM**), Athora Netherlands' 100% asset management subsidiary) does not provide satisfactory or appropriate investment returns, or if the Athora Netherlands Group does not sell investment products (linked to insurance products) that customers require or are deemed suitable, or where ACTIAM loses key asset management teams or individuals, existing customers may decide to liquidate, cancel, reduce, transfer or negotiate alterations to the terms of their investments, investment products and investment mandates. Furthermore, potential customers may decide not to make further investments, buy investment products or extend or grant new investment mandates. Consequently, prolonged investment underperformance could have a material adverse effect on the business, revenues, results, financial condition and prospects of the Athora Netherlands Group.

Integrity Risks

The Athora Netherlands Group is exposed to the risk of fraud and other misconduct or unauthorised activities by the Athora Netherlands Group's personnel, intermediaries, customers and other third parties

Fraud typically might occur when persons deliberately abuse the Athora Netherlands Group's procedures, systems, assets, products or services, and includes policy fraud (where fraudulent misstatements of fact are made in applications for insurance products by customers), sales fraud (where, for instance, intermediaries design commission schemes that are not for bona fide customers, or are written for non-existent customers, in order to collect commissions that are typically payable in the first year of the contract, after which the policy is allowed to lapse), claims fraud (where fraudulent misstatements of fact are made in an effort to make claims under existing policies) and fraud in relation to payment execution (where payments of policy benefits are fraudulently routed to bank accounts other than those of the relevant beneficiary). The occurrence of fraud and other misconduct and unauthorised activities could result in losses, increased costs, violations of law, investigations and sanctions by regulatory and other supervisory authorities, claims by customers, customer groups and customer protection bodies, loss of potential and existing customers, loss of receivables and harm to the Athora Netherlands Group's reputation, any of which, alone or in the aggregate, could have a material adverse effect on the Athora Netherlands Group's business, revenues, results, financial condition and prospects.

In addition to fraud risk there is also compliance risk, *i.e.*, not complying with laws and regulations. Failure to comply with any laws and regulations could lead to disciplinary action by, including but not limited to, the Dutch Central Bank (**DNB**), the Dutch Authority for the Financial Markets (**AFM**) or the Dutch Data Protection Authority (**DPA**), the imposition of fines, revocation of a license, permission or authorisation necessary for the conduct of the Athora Netherlands Group's business and/or civil liability, all or any of which could have a materially adverse effect on the Athora Netherlands Group's business, revenues, results, financial condition and prospects. Laws and regulations applied at a national level generally grant supervisory authorities broad administrative discretion over the Athora Netherlands Group's activities, including the power to limit or restrict business activities. It is possible that laws and regulations governing the Athora Netherlands Group's business or particular products and services could be adopted, amended or interpreted in a manner that has a material adverse effect on the Athora Netherlands Group's business, revenues, results, financial condition and prospects.

Operational Risks

The Athora Netherlands Group is subject to operational risks

The operational risks that the Athora Netherlands Group faces include the possibility of inadequate or failed internal or external processes or systems, human error, regulatory breaches, personnel misconduct or external events, such as fraud. Additionally, the loss of key personnel could adversely affect the Athora Netherlands Group's operations and results. Operational risks could materially adversely affect the Athora Netherlands Group's business, revenues, results, financial condition and prospects.

The Athora Netherlands Group relies heavily on information technology, communication systems and/or internal controls and there is a risk that these do not function properly

The Athora Netherlands Group relies heavily on its operational processes, communication and information systems and internal controls to conduct its business, including (without limitation) to determine the pricing of its products, its underwriting liabilities, the required level of provisions and the acceptable level of risk exposure and to maintain accurate records, high-quality customer services and compliance with its reporting obligations. Defects and errors in the Athora Netherlands Group's financial reporting and actuarial processes, systems and reporting procedures, including both human and technical errors, could result in a late delivery of internal and/or external reports or reports with insufficient or inaccurate information.

Also, in the Athora Netherlands Group's current financial reporting process, product lines and legal entities do not always coincide. This increases the complexity of the financial reporting process, both within the product lines and legal entities, and at Athora Netherlands level, which in turn increases the risk of financial reporting errors. Furthermore, defaults and errors in the Athora Netherlands Group's financial reporting processes, systems and reporting procedures could lead to wrong management decisions regarding, for instance, product pricing and hedge decisions which could materially adversely affect its net income and increase risk. In addition, misinforming customers and investors could lead to substantial claims and regulatory fines, increased regulatory scrutiny, reputational harm and increased administrative costs to remedy errors.

Furthermore, the Athora Netherlands Group depends on third party providers for administration and IT services and other back office functions. This includes the outsourcing of ACTIAM's middle and back offices asset management operations, fund and investment account and reporting services. Any interruption in the Athora Netherlands Group's ability to rely on its internal or outsourced IT services or deterioration in the performance of these services could impair the timing and quality of the Athora Netherlands Group's services to its customers and result in loss of customers, inefficient or detrimental transaction processing and regulatory non-compliance, all of which could also damage the Athora Netherlands Group's brands and reputation.

The Athora Netherlands Group is also exposed to cybercrime risks, for example, login credentials of customers, intermediaries and personnel may be intercepted by cybercriminals. This could lead to abuse of information and harm the Athora Netherlands Group's reputation. Any interruptions, failures or breaches in security of these processes and systems could also result in a loss of customers and/or materially adversely affect the Athora Netherlands Group's ability to compete with its competitors.

Organisational change as well as the pursuance by the Athora Netherlands Group of its strategic objectives (including growth and extended scale) may result in the creation of an operational risk, amongst other things because these events may result in an increased strain on information technology, communication systems and/or internal controls. Furthermore, these events could result in employees and their knowledge and expertise leaving the Athora Netherlands Group, therefore increasing the strain on the existing organisation. This may have a negative impact on existing work routines and internal controls and may consequently lead to operational incidents.

The occurrence of any of the foregoing events could harm the Athora Netherlands Group's reputation and could have a material adverse effect on the Athora Netherlands Group's business, revenues, results and financial condition and prospects.

The Athora Netherlands Group may not be able to retain or attract personnel who are key to the business

The success of the Athora Netherlands Group's operations is dependent, among other things, on its ability to attract and retain highly qualified professional personnel. Competition for key personnel is intense. The ability of the Athora Netherlands Group to attract and retain key personnel with appropriate knowledge and skills, particularly financial, investment, IT, data analysis, risk management, actuarial, Solvency II (as defined below) and other specialist skills and experience, is dependent on a number of factors, including prevailing market conditions and compensation packages offered by companies competing for the same talent. Any failure by the Athora Netherlands Group to retain or attract qualified personnel could have a material adverse effect on the Athora Netherlands Group's business, revenues, results and financial condition and prospects.

The occurrence of disasters or core infrastructure failures may endanger the continuity of the Athora Netherlands Group's business operations and the security of the Athora Netherlands Group's personnel

The Athora Netherlands Group is exposed to various risks arising from natural disasters (including floods, fires and storms), as well as man-made disasters and core infrastructure failures (including acts of terrorism, war, power grid and telephone/internet infrastructure failures). These natural and man-made disasters may endanger the continuity of the Athora Netherlands Group's business operations and the security of the Athora Netherlands Group's personnel, and may adversely affect the Athora Netherlands Group's business, revenues, results and financial condition and prospects by causing, among other things, disruptions of the Athora Netherlands Group's normal business operations.

Change in senior management team could lead to discontinuities and deficiencies

The risks of discontinuities and deficiencies by change in senior management could lead to untimely and/or insufficient actions or other deficiencies with regards to strategic decision making, operational processes, internal controls, application of laws, regulations and internal guidelines towards Athora Netherlands Group's business, risk culture, HR processes, relationship and communication with customers and intermediaries. This could have a material adverse effect on the Athora Netherlands Group's business, revenues, results and financial condition and prospects.

The performance of the Athora Netherlands Group depends also on the quality of its pricing processes to accurately price its products and services

The results and financial condition of the Athora Netherlands Group depend, among other things, on its ability to set rates and prices accurately. Setting accurate rates and prices is necessary to generate sufficient premiums to pay claims and expenses and to earn profits on income. The ability of the Athora Netherlands Group to price its products and services accurately is subject to a number of uncertainties, *i.e.*, inadequate or inaccurate data or inappropriate analyses, assumptions or methodologies. If the Athora Netherlands Group fails to establish adequate rates and prices for its products and services, its revenues could decline or its expenses increase resulting in proportionately greater losses.

The Athora Netherlands Group makes use of models which present the Athora Netherlands Group with model risk when decisions are based on incorrect or misused model outputs and reports

The term model refers to a quantitative method, system, or approach that applies statistical, economic, financial, or mathematical theories, techniques, and assumptions to process input data into quantitative estimates. Models meeting this definition might be used for pricing products, analysing business strategies, informing business decisions, identifying and measuring risks, valuing exposures, instruments or positions, conducting stress testing, assessing adequacy of capital, managing client assets, measuring compliance with

internal limits, or meeting financial or regulatory reporting requirements and issuing public disclosures. The definition of model also covers quantitative approaches whose inputs are partially or wholly qualitative or based on expert judgment, provided that the output is quantitative in nature. The Athora Netherlands Group uses a number of models for a variety of purposes, among others, pricing of products, valuation of mortgages, valuation of insurance liabilities, required capital calculations and determination of hedging portfolios. The use of models invariably presents model risk, which is the potential for adverse consequences from decisions based on incorrect or misused model outputs and reports. Model risk can lead to financial loss, poor business and strategic decision-making, or damage to the Athora Netherlands Group's reputation. Model risk occurs primarily for two reasons: (1) a model may have fundamental errors and produce inaccurate outputs when viewed against its design objective and intended business uses; and (2) a model may be used incorrectly or inappropriately or there may be a misunderstanding about its limitations and assumptions. Model risk increases with greater model complexity, higher uncertainty about inputs and assumptions, broader extent of use, and larger potential impact. Even though active model risk management and model validation are an integrated part of the risk management system of the Athora Netherlands Group, the adverse consequences (including financial loss) of model risk can negatively influence the Athora Netherlands Group's business, revenues, results, financial condition and prospects.

The Athora Netherlands Group's technical provisions reflected in its IFRS financial statements to pay insurance and other claims, now and in the future, or other balance sheet valuations (i.e., Solvency II) could prove insufficient

In accordance with industry practices, provisions are established on the basis of estimates using actuarial projection techniques. The process of estimating is based on information available at the time the provisions are established. The adequacy of the provisions, including risk margins, are continuously reviewed and believed to be sufficient. Under International Financial Reporting Standards (IFRS), the Athora Netherlands Group is required to test the adequacy of the provisions at each IFRS reporting date by executing the liability adequacy test. This test requires provisions to be adequate on aggregate. The adequacy test is based on management best estimates on future developments of markets, insurance claims and expenses. However, the provisions could prove insufficient in the future for several reasons, such as new knowledge or events, discrepancy between assumptions and actual experience, increasing guarantee obligations whether or not related to outstanding issues and regulatory capital, other requirements, which are particularly uncertain in the current regulatory environment, undergoing significant, and ongoing, changes, policy or former management decisions, which could require strengthening the provisions. More or less the same applies to other balance sheet valuations, such as mortgage valuations that are established on the basis of estimates using projection techniques. Another example of a valuation that could prove insufficient is the determination of the value of deferred tax assets, of which it needs to be tested to what extent it is fully recoverable. For this, testing projection techniques are necessary as well. If the Athora Netherlands Group's provisions or other balance sheet valuations prove insufficient, the Athora Netherlands Group may be required to strengthen its reserves or revalue other balance sheet items, which may have a material adverse effect on the Athora Netherlands Group's results and financial condition.

Liquidity Risks

The Athora Netherlands Group faces liquidity risk

Liquidity risk arises if the Athora Netherlands Group would not be able to comply with current or contingent liabilities at their due date. It consists of (i) a funding risk, *i.e.*, the risk that the Athora Netherlands Group cannot meet any scheduled or unexpected demand for cash from policyholders and other contracting parties or its subsidiaries in case of Athora Netherlands specifically, and (ii) a market liquidity risk, *i.e.*, the risk that the Athora Netherlands Group is not able to convert assets in to cash as a result of unfavourable market conditions or a market disruption.

Athora Netherlands N.V. is a holding company with no material, direct business operations (Athora

Netherlands N.V. is authorised to act to a limited degree as intermediary for insurances of its subsidiary SRLEV N.V. (SRLEV) and it employs all personnel and services of the business with staff support) and relies on its available liquidity resources, operating subsidiaries and shareholder to provide it with liquidity. The capital position and capital structure of the Athora Netherlands Group may include a double leverage at the Athora Netherlands level (Athora Netherlands issues (subordinated) debt and acquires shares in the equity of or provides subordinated debt (restricted Tier 1 own funds and/or Tier 2 own funds) to the subsidiaries which is a form of intra-group financing). The liquidity position of Athora Netherlands is dependent on its own resources, the ability of its subsidiaries to upstream cash (see also "*Risk related to the legal structure of the Athora Netherlands Group*") and the ability of its shareholder to downstream cash.

The Athora Netherlands Group holds certain assets that have low liquidity, such as privately placed fixed income securities, commercial and residential mortgage loans, asset-backed securities, structured loans, government bonds of certain countries, private debt or private equity investments and real estate. Since the onset of the financial crisis, many of these assets have proven to be illiquid resulting in realised losses if such assets were sold and unrealised losses on such assets if they were marked-to-market. Although the liquidity for certain of these assets has improved, a further downturn in the financial markets may exacerbate the low liquidity of these assets and may also reduce the liquidity of assets that are typically liquid, as occurred during the financial crisis in the case of the markets for asset-backed securities relating to real estate assets and other collateralised debt and loan obligations. If the Athora Netherlands Group requires significant amounts of cash on short notice in excess of normal cash requirements or is required to post or return collateral in connection with its investment portfolio, derivatives transactions or securities lending activities, the Athora Netherlands Group may be forced to sell such assets even though a large portion of the investment portfolio is invested in liquid Dutch and German government bonds. If those assets are illiquid, the Athora Netherlands Group may be forced to sell them for a lower price than it otherwise would have been able to realise, resulting in losses, which may have a material adverse effect on the Athora Netherlands Group's results and financial condition. A (forced) sale at a higher price could also negatively impact Athora Netherlands Group's Solvency II own funds as a consequence of tiering restrictions as realising a potential profit increases net deferred tax assets and potentially impacts the recoverability of such deferred tax assets.

The distribution of dividends or any other upstream distribution may have an adverse effect on Athora Netherlands' solvency and liquidity position

Athora Netherlands' sole shareholder, Athora Netherlands Holding Limited, may resolve to distribute dividends on the shares in the capital of Athora Netherlands, provided that such distribution is permitted under the then applicable rules and regulations. Any such dividend distribution or any other upstream distribution may have an adverse effect on Athora Netherlands' solvency and liquidity position and potentially on Athora Netherlands' ability to fulfil its payment obligations under the Notes.

Market Risks

Risk relating to the general economic and financial environment

The Athora Netherlands Group's results can be adversely affected by general economic conditions and other business conditions. The Athora Netherlands Group generates most of its income in the Netherlands and is therefore particularly exposed to the economic and business conditions in the Netherlands. These conditions include changing economic cycles that affect demand for insurance products. Such cycles are also influenced by global political events, such as terrorist acts, war and other hostilities as well as by market specific events, such as shifts in consumer confidence, industrial output, labour or social unrest and economic and political uncertainty. Since the onset of the financial crisis in 2008, which in Europe was followed by the euro-crisis in 2010, weak macroeconomic conditions, including recessions, and the implementation of austerity measures in many economies, along with global financial market turmoil and volatility, have affected, and if these trends persist or return will continue to affect, the behaviour of the Athora Netherlands Group's customers, and, by extension, the demand for, and supply of, Athora Netherlands Group's products and services. Over

the past several years, as the Dutch, European and global economies have taken steps to recover from the financial crisis, significant actions by governments, including bail-outs of financial institutions, as well as volatile markets, interest rates and credit spreads and significant changes in asset valuations (including material write-offs and write-downs of impaired assets), have all affected the business of financial institutions, including the Athora Netherlands Group. Any new deterioration in the economic conditions could result in a downturn in new business and sales volumes of the Athora Netherlands Group's products, and a decrease of its investment return, which, in turn, could have a material adverse effect on the Athora Netherlands Group's growth, business, revenues and results. The business segment of the Athora Netherlands Group is affected by market conditions, which can cause results to fluctuate from year to year as well as on a long-term basis. These market conditions include, without limitation, fluctuations in interest rates, monetary policy, a decline in the securities markets or poor investment performance, consumer and business spending and demographics. These market conditions also include insurance industry cycles, such as changes with respect to mortality and longevity. If any such market conditions were to occur and persist, the results of the Athora Netherlands Group could be adversely affected.

Additionally, the recent COVID-19 crisis has had a major impact on the global economy and health systems and could have further significant economic impacts. High unemployment levels; government monetary and fiscal policies; reduced consumer and government spending levels; market indices; equity and other securities prices inflation rates; interest rates; credit spreads and credit default rates; currency exchange rates; real estate prices; political events and terrorism trends; cybercrime and cyberattack; and changes in customer behavior have affected the Athora Netherlands Group in the past and will continue to affect the Athora Netherlands Group in the future. All of these factors are impacted by changes in financial markets and developments in the global and European economies and policies.

The Athora Netherlands Group's exposure to fluctuations in the equity, fixed income and property markets could affect the Athora Netherlands Group's profitability and capital position

The returns on the Athora Netherlands Group's investments are highly susceptible to fluctuations in equity, fixed income and property markets. The Athora Netherlands Group bears all the risk associated with its own investments. Fluctuations in the equity, fixed income and property markets affect the Athora Netherlands Group's profitability and capital position. A decline in any of these markets will lead to a reduction of (un)realised gains in the asset or result in (un)realised losses and could result in impairments. Any decline in the market values of these assets reduces the Athora Netherlands Group's solvency, which could materially adversely impact the Athora Netherlands Group's financial condition and the Athora Netherlands Group's ability to attract or conduct new business.

Athora Netherlands holds investments consisting of a variety of asset classes and hedge instruments. The condition of global financial markets as well as the economic conditions could have a material adverse effect on the effectiveness of the hedge instruments and the performance of the financial investments held by Athora Netherlands

Financial market conditions may adversely affect the effectiveness of the hedge instruments used by Athora Netherlands to manage certain risks to which it is exposed. This may result in the hedge instruments not performing as intended or expected, in turn resulting in higher realised losses and increased cash needs to collateralise or settle these hedge transactions. Such financial market conditions may limit the availability, and increase the costs, of hedging instruments.

Athora Netherlands is exposed to currency transaction risks. Fluctuations in currency exchange rates may affect the Group's business, results of operations, financial condition and prospects

The Issuer and its subsidiaries may enter into transactions in currencies other than their local currency. Movements in relevant currency exchange rates could adversely affect the revenues, results of operations and financial condition of the Issuer.

The Athora Netherlands Group is exposed to the level of interest rates

Interest rates are highly sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits, regulatory requirements and other factors beyond the control of the Athora Netherlands Group. The level of interest rates and changes in prevailing interest rates (including changes in the difference between the levels of prevailing short- and long-term interest rates (non-parallel movements) could adversely affect the results and capital position of the Athora Netherlands Group.

The insurance investment portfolio of the Athora Netherlands Group consists primarily of fixed income securities. The short-term impact of interest rate fluctuations on the insurance business of the Athora Netherlands Group may be reduced in part by products designed to partly or entirely transfer the Athora Netherlands Group's exposure to interest rate movements to the policyholder. While product design and hedging reduce the exposure of the Athora Netherlands Group to interest rate volatility, changes in interest rates (predominantly changes in long-term interest rates) will impact its business to the extent they result in changes to current interest income, impact the value of the fixed income portfolio of the Athora Netherlands Group, or affect the levels of new product sales.

A decrease in the long-term interest rate primarily adversely affects the values of the Athora Netherlands Group's liabilities under traditional life contracts, as liabilities are discounted using long-term interest rates for supervisory reporting and/or financial reporting. This negative effect is partly offset by the simultaneous increase in the market value of fixed income assets. Even if the liabilities are valued using a market consistent methodology, they may nevertheless have limited or different sensitivity to interest rate movements (and credit spread) in comparison to fixed income assets because the discount rate applied in those market consistent valuations (in some cases, including the discount rate prescribed or determined by regulators) typically do not fully reflect sensitivities to interest rate movements (and credit spreads) and therefore the value of the liabilities may not match that of the fixed income assets. Under Solvency II (as defined below), for instance, the basic risk free interest rate is based on the swap rate (corrected for a credit risk adjustment (**CRA**) with an extrapolation of the curve from the last liquid point (**LLP**) to the ultimate forward rate (**UFR**)), while a material part of the Athora Netherlands Group's fixed income portfolio is currently heavily based on Dutch and German government bonds. The spread between the swap rates and the government bond rates can diverge. The Athora Netherlands Group has partially hedged the spread between swap rates and government bond rates. Under Solvency II (as defined below), the Athora Netherlands Group also uses a spread correction based on the so called volatility adjustment (**VA**) (in the future possibly also the matching adjustment (**MA**)), but this VA spread does not necessarily have the same impact as the spread on the investment portfolio. Another factor that leads to a mismatch is the extrapolation technique that is used to determine the interest rate curve for the valuation of liabilities (from the LLP (currently year 20) to the Solvency II level of the UFR (currently 3.75%) in approximately 40 years) which is not used in the valuation of the asset portfolio. The Solvency II level of the UFR will be lowered to the UFR level requested by the European Insurance and Occupational Pensions Authority (**EIOPA**) (which level currently is set at 3.50%) with steps of no more than 0.15%-point per year. In January 2021 the UFR level was again reduced with 0.15%-point to 3.60%. In addition, the net effect on the net asset value/surplus depends on the (key rate) duration and volume matching of assets and liabilities including derivatives. To the extent that the Athora Netherlands Group is unable to match or chooses not to completely match liabilities with assets that have the same or similar levels of interest rate sensitivity, there could be a gap between the movement of the Athora Netherlands Group's assets and liabilities as interest rates change. Interest rate fluctuations could therefore have a material adverse effect on the Athora Netherlands Group's business, revenues, results, financial condition and prospects.

In addition, the future results of insurance operations of the Athora Netherlands Group are impacted by the level of the interest rates. A prolonged period with low interest rate levels has had, and could continue to have, a material adverse effect on the Athora Netherlands Group's revenues, results of operation, financial condition and prospects. In a period of sustained low interest rates, financial and insurance products with long-term

options and guarantees (such as pension and whole-life products) may be more costly to the Athora Netherlands Group. Moreover, the (economic and/or Solvency II (as defined below) regulatory) capital the Athora Netherlands Group is required to hold for long-term risks, such as longevity, expense and morbidity risks, is higher in a low interest rate environment. These effects limit the ability of the Athora Netherlands Group to offer these products at affordable prices. Also, the present value impact of assumption changes affecting future benefits and expenses is larger, creating more volatility in the Athora Netherlands Group's results and available regulatory capital. On top of that, the Athora Netherlands Group will be subject to an investment risk because, in a low interest rate environment, the Athora Netherlands Group may not be able to reinvest the proceeds from maturing investments or to invest the premiums, which it will continue to receive on recurring premium products with interest rate guarantees, in assets with a comparable return profile.

Furthermore, in periods where interest rates are higher than the current interest rates and in periods of increasing long-term interest rates, the market value of fixed income assets and/or interest rate derivatives of the Athora Netherlands Group may continue to decrease, which could result in unrealised losses and require that the Athora Netherlands Group post collateral in relation to its interest rate hedging arrangements. This could lead to reductions in the level of available regulatory capital. In periods of rising interest rates, policy lapses and withdrawals may increase as policyholders may believe they can obtain a higher rate of return in the market place. In order to satisfy the resulting obligations to make cash payments to policyholders, the Athora Netherlands Group may be forced to sell assets at reduced prices and thus realise investment losses. Such a sale of investment assets may also result in a decrease in the Athora Netherlands Group's assets under management, which could result in reduced fee income as fee income is typically linked to the value of the assets under management.

If the results of the Athora Netherlands Group are adversely affected by the level of interest rates or for other reasons, this could also adversely affect the rights of policyholders to receive additional benefit payments over and above any insured or guaranteed capital (**Profit Sharing Policies**). Profit Sharing Policy holders occasionally complain about Profit Sharing Policies issued by SRLEV, Athora Netherlands' 100% subsidiary, or any of its legal predecessors, or start legal proceedings against SRLEV, often due to the fact that the applicable policy conditions do not contain a definition of profit (see also "*Litigation, regulatory measures, and other proceedings or actions*").

The Athora Netherlands Group has long-term assets and liabilities and is exposed to the risk of a mismatch between the value of the assets and the liabilities resulting from changes in interest rates and credit spreads, which could have a material adverse effect on the Athora Netherlands Group's results of operations and financial condition

As a provider of life insurance and guaranteed pension products, the Athora Netherlands Group requires a significant amount of long-term fixed income assets which are mostly matched against its long-term insurance liabilities. Fixed income assets are typically valued at fair market value in accordance with current accounting and solvency regulations and are therefore sensitive to interest rate and credit spread movements. However, corresponding liability valuations do not fluctuate with interest rate and credit spread movements when they are valued using a fixed accrual methodology, which may apply depending on applicable accounting, reporting and regulatory frameworks.

Moreover, even if the corresponding liabilities are valued using a market consistent methodology, they may nevertheless have limited or different sensitivity to credit spread and interest rate movements because the discount rate applied in those market consistent valuations (in some cases, including the discount rate prescribed or determined by regulators) typically do not fully reflect sensitivities to credit spread and interest rate movements and therefore the value of the liabilities may not match that of the fixed income assets. In addition, there may be a mismatch in interest rate sensitivities if the duration of the liabilities of a business unit differs from the fixed income assets.

In all of these cases, there is a mismatch between the valuations of the fixed income assets and liabilities that,

depending on applicable accounting, reporting and regulatory frameworks, could have a material adverse effect on the Athora Netherlands Group's available regulatory capital, results of operations and financial condition.

The continuing risk that one or more European countries could exit the Eurozone and/or EU may adversely affect the business, revenues, results, financial condition and prospects of the Athora Netherlands Group

There remains a risk that financial or other difficulties may result in certain European countries exiting the Eurozone and/or EU. This can also be caused by changes in the political landscape and/or by a referendum. To date, only the UK has left the European Union. The possible exit from the Eurozone and/or EU of one or more European countries (in addition to the UK) and, as a consequence, the potential replacement of the euro by one or more successor currencies could create significant uncertainties regarding the enforceability and valuation of euro denominated contracts to which the Athora Netherlands Group or its counterparties are a party and thereby materially and adversely affect the business, revenues, results, financial condition and prospects of both the Athora Netherlands Group and/or its counterparties.

Such uncertainties may include the risk that (a) a liability that was expected to be paid in euro is redenominated into a new currency (which may not be easily converted into other currencies without significant cost), (b) currencies in some European countries may devalue relative to others, (c) former Eurozone and/or member states of the European Union (**EU Member States**) may impose capital controls that would make it complicated, illegal or more costly to move capital out of such countries, and/or (d) some courts (in particular, courts in countries that have left the Eurozone and/or EU) may not recognise and/or enforce claims denominated in euro (and/or in any replacement currency). The possible exit from the Eurozone and/or EU of one or more European countries and/or the replacement of the euro by one or more successor currencies could also cause other significant market dislocations and lead to other adverse economic and operational impacts that are inherently difficult to predict or evaluate. The occurrence of one or more of these events could have a material adverse effect on the business, results, financial condition and prospects of the Athora Netherlands Group and its counterparties. In addition, it is not entirely clear at this stage what the consequences of the UK's departure from the European Union will ultimately be for the Athora Netherlands Group or the trading price of the Notes.

The Athora Netherlands Group is exposed to the risk of a downgrade or withdrawal of any of its credit ratings or financial strength ratings

In general, financial strength ratings are important factors affecting public confidence in insurers, and are as such important to the Athora Netherlands Group's ability to sell its products and services to existing and potential customers, as well as to certain other activities of the Athora Netherlands Group involving credit risk such as financing activities. Credit ratings represent the opinions of rating agencies regarding an entity's ability to repay its indebtedness. On an operating subsidiary level, financial strength ratings reflect the opinions of rating agencies on the financial ability of an insurance company to meet its obligations under an insurance policy, and are typically referred to as "claims-paying ability" ratings. Furthermore, a downgrade or a potential downgrade in Athora Netherlands' (or its "rated" subsidiaries') credit or financial strength ratings or withdrawal of its rating could have a material adverse effect on Athora Netherlands' (or its "rated" subsidiaries') ability to raise additional capital, or increase the cost of additional capital, could result in, amongst others, a loss of existing or potential business (including losses on customer withdrawals), lower assets under management and fee income, and decreased liquidity, and could have adverse consequences for the ability of Athora Netherlands (or its "rated" subsidiaries) to hedge financial and other risk, any of which could have a material adverse effect on the Athora Netherlands Group's business, revenues, results, financial condition and prospects.

At the date of this Offering Memorandum, Athora Netherlands has an issuer default rating only from Fitch, of BBB (with outlook 'stable'). On 19 February 2020 and on 23 November 2020, Fitch affirmed the ratings of

Athora Netherlands, being BBB and 'stable'. Please see: www.athora.com/sites/default/files/Fitch-Athora-2020-11-23.pdf for further information.

SRLEV, the main operating subsidiary of Athora Netherlands, has the following financial strength ratings: Moody's: Baa2 (last updated 9 April 2020, when Moody's regarded the outlook as "stable" from "developing"). Fitch: BBB+ (updated on 19 February 2020 and on 23 November 2020; Fitch regards the outlook as "stable").

Rating agencies review insurers' ability to meet their obligations (including to policyholders and their creditworthiness generally) based on various factors, and assign ratings stating their current opinion in that regard. Most of the factors are specific to the rated company itself. In case of the Athora Netherlands Group, the rating will also depend, in part, on the credit quality/financial strength of the Athora Group, the position of the Athora Netherlands Group in the Athora Group and/or how the Athora Netherlands Group will be managed. If a rating agency considers itself unable to reach an adequate assessment on these aspects, it is possible that its rating(s) will be downgraded, suspended and/or withdrawn. While most of the factors are specific to the rated company and its majority shareholder, some relate to general economic conditions, intercompany dependencies and other circumstances outside the rated company's control. Such factors might also include a downgrade of the sovereign credit rating of the Netherlands as rating agencies typically take into account the credit rating of the relevant sovereign in assessing the credit and financial strength ratings of a corporate issuer. Rating agencies have increased the level of scrutiny that they apply to financial institutions, have increased the frequency and scope of their reviews, have requested additional information from the companies that they rate, and may adjust upward the capital and other requirements employed in the rating agency models for maintenance of certain ratings levels. The Athora Netherlands Group may need to take actions in response to changing standards or capital requirements set by any of the rating agencies, which may not otherwise be in the best interests of the Athora Netherlands Group. The Athora Netherlands Group cannot predict what additional actions rating agencies may take, or what actions the Athora Netherlands Group may take in response to the actions of rating agencies. The outcome of such reviews may have adverse ratings consequences. Any downgrade (especially if below investment grade), suspension, withdrawal or adverse consequence as referred to above, could have a material adverse effect on the Athora Netherlands Group's business, revenues, results, financial condition and prospects.

Catastrophes, including natural disasters, and climate change may result in substantial losses and could have a material adverse effect on the Athora Netherlands Group's business, results of operations, financial condition and prospects.

The Athora Netherlands Group is potentially subject to losses from unpredictable events that may affect multiple risks. Such events include both natural and man-made events, including, but not limited to, climate change, windstorms, coastal inundation, floods, severe winter weather and other weather-related events, pandemics (including the COVID-19 pandemic), large scale fires, industrial explosions, earthquakes and other man-made disasters such as civil unrest and terrorist attacks. The extent of the losses from such catastrophic events is a function of their frequency and the severity of each individual event. The frequency and severity of catastrophes in general are inherently unpredictable and subject to long-term external influences, such as climate change, and a single catastrophe or multiple catastrophes in any period could have a material adverse effect on the Athora Netherlands Group's business, results of operations, financial condition and prospects.

Counterparty Risks

The Athora Netherlands Group is exposed to financial risks such as credit risk, default risk and risks concerning the adequacy of its credit provisions

Losses incurred due to credit risk include actual losses from defaults, market value losses due to credit/financial strength rating downgrades and/or spread widening, or impairments and write-downs. The Athora Netherlands Group is exposed to various types of general credit risk, including spread risk, default

risk and concentration risk. Third parties that owe the Athora Netherlands Group money, securities or other assets may not pay or perform under their obligations. These parties may include customers, the issuers whose securities are being held by the Athora Netherlands Group, trading counterparties, counterparties under swaps and other derivative contracts, clearing members or agents, exchanges, clearing houses and other financial intermediaries. These parties may default on their obligations to the Athora Netherlands Group due to bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure or other reasons.

The business of the Athora Netherlands Group is also subject to risks that have an impact on the adequacy of its credit provisions. These provisions relate to the possibility that a counterparty may default on its obligations to the Athora Netherlands Group which arise from financial transactions. Depending on the actual realisation of such counterparty default, the current credit provisions may prove to be inadequate. If future events or the effects thereof do not fall within any of the assumptions, factors or assessments used by the Athora Netherlands Group to determine its credit provisions, these provisions could be inadequate.

The Athora Netherlands Group is also exposed to concentration risk, which is the risk of default by counterparties or investments in which it has taken a (relatively) large position. These risks are related to among others investments in sovereigns, financials and corporates.

The COVID-19 pandemic is likely to cause a global increase in the risk of defaults on government, corporate debt and securitizations. An increase in such defaults, or the likelihood of defaults can have an adverse effect on Athora Netherlands' results of operations and financial condition. This risk may adversely affect financial intermediaries, such as counterparties, clearing members or agencies, clearing houses, banks, securities firms and exchanges with which Athora Netherlands interacts.

Any of these financial risks could have a material adverse effect on the Athora Netherlands Group's business, revenues, results, financial condition and prospects.

The Athora Netherlands Group is exposed to counterparty risk in relation to financial institutions

Due to the nature of the global financial system, financial institutions such as the Athora Netherlands Group are interdependent as a result of trading, counterparty and other relationships (e.g., relationships with third parties in respect of savings-linked mortgages). Other financial institutions with whom the Athora Netherlands Group conducts business, act as counterparties to the Athora Netherlands Group in such capacities as borrowers under loans, issuers of securities, customers, reinsurance companies, trading counterparties, counterparties under swaps and credit and other derivative contracts, clearing members or agents, exchanges, clearing houses, brokers and dealers, commercial banks, investment banks, private, mutual and hedge funds and other financial intermediaries. In any of these capacities, a financial institution acting as a counterparty may not perform its obligations due to, among other things, bankruptcy, lack of liquidity, market downturns or operational failures, and the collateral or security it provides may prove inadequate to cover their obligations at the time of the default. The interdependence of financial institutions means that the failure of a sufficiently large and influential financial institution due to disruptions in the financial markets could materially disrupt securities markets or clearing and settlement systems in the markets. This could cause severe market declines or volatility. Such a failure could also lead to a chain of defaults by counterparties that could materially adversely affect the Athora Netherlands Group. This risk, known as "systemic risk", could adversely impact future product sales as a result of reduced confidence in the insurance and banking industries. It could also reduce results because of market declines and write-downs of assets and claims on third parties. The Athora Netherlands Group believes that despite increased focus by regulators around the world with respect to systemic risk, this risk remains part of the financial system in which the Athora Netherlands Group operates and dislocations caused by the interdependency of financial market participants could have a material adverse effect on its business, revenues, results, financial condition and prospects.

Insurance Risks

Changes in longevity, mortality and morbidity experience

The insurance portfolio is exposed to longevity risk (*i.e.*, the risk that an insured party lives longer than was projected at the time its policy was issued, with the result that the insurer must continue paying under the policy longer than anticipated), mortality risk (*i.e.*, the risk the insured party dies sooner than was projected at the time its policy was issued) and morbidity risk (*i.e.*, the risk that more policyholders than anticipated will suffer from long-term health impairments and the risk that those who are eligible to make a claim do so for longer than anticipated and therefore longer than was reflected in the price of the policies and in the liability established for the policies). In valuing the insurance liabilities and in establishing the pricing and reserving standards, assumptions are used to model the future benefit payments, which may be different from the actual benefit payments that will become due in the future. Although the assumptions are reviewed and updated periodically based on experiences in the past, the uncertainties (such as the improvements in medical treatments that prolong life without restoring the ability to work) associated with the assumptions make it impossible to have assurance that the assumptions will indeed prove to be adequate in the future. Changes in assumptions could lead to additions to the provisions on account of longevity, mortality and morbidity risks in future years, which could result in significant losses that could have a material adverse effect on the revenues, results, financial condition and prospects of the Athora Netherlands Group. It should be noted that part of the longevity risk contained in the insurance portfolio has been transferred by the Athora Netherlands Group to a reinsurer by means of longevity reinsurance agreements.

Adverse experience compared to the assumptions used in pricing products, establishing provisions and reporting business results

In accordance with industry practices and regulation, models are used to interpret and process data. Actuarial and risk models are inherently uncertain and involve the exercise of significant own judgement. Therefore it cannot be determined with absolute precision what amounts should be paid for, the timing and level of payment of actual benefits, claims and expenses or whether the assets supporting the policy liabilities, together with future premiums, will be sufficient. If actual experience differs from assumptions or estimates, the profitability of the products may be negatively impacted, which may incur losses, and capital and reserves may not be adequate, and the effectiveness of the hedging programmes may be adversely affected. Processes have been established to periodically review the adequacy of the data, both internal and external, methods and models. Notwithstanding these reviews, statistical methods and models may not accurately quantify the risk exposure if circumstances arise that were not observed in the data or if the data proves to be inaccurate. This may have a material adverse effect on the revenues, results, financial condition and prospects of the Athora Netherlands Group.

Increase in policy lapses and increase of paid-up rates

The Athora Netherlands Group is exposed to the risk of change in policy lapses and a change of paid-up rates. Such changes may lead to a substantial decrease in future profits which are currently part of the Solvency II own funds, thus leading to a decrease in own funds. In order to satisfy the resulting obligations to make cash payments to policyholders in case of a lapse event, the Athora Netherlands Group may be forced to sell assets at reduced prices and thus realise investment losses. The extent of such investment losses depends on various circumstances, including the type of policy lapsed, the time window in which they lapse and the market circumstances at that time. Such a sale of investment assets may also result in a decrease in the Athora Netherlands Group's assets under management, which could result in reduced fee income as fee income is typically linked to the value of the assets under management. Furthermore, this also influences the assumptions used to forecast (future) policy lapses and paid-up rates, which are reviewed and updated periodically. The uncertainties associated with these assumptions make it impossible to have assurance that the assumptions will indeed prove to be adequate in the future. The present value impact of changes in these assumptions could lead to additions to the liabilities vis-a-vis policyholders. This may have a material adverse effect on the business, revenues, results, financial condition and prospects of the Athora Netherlands Group.

Reinsurance may not be available, affordable or adequate to protect the Athora Netherlands Group against losses, and reinsurers may default on their reinsurance obligations

The Athora Netherlands Group has transferred and may further transfer its exposure to certain risks in the insurance business to third parties through reinsurance arrangements. Under these arrangements, other insurers assume a portion of the potential 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. Therefore it could happen that additional expenses are needed for reinsurance or even that there is no possibility to obtain sufficient reinsurance on acceptable terms, which could negatively affect the ability to write future business and increase the exposure to losses. When reinsurance is obtained, the Athora Netherlands Group will still be liable for those transferred risks if the reinsurer cannot meet its obligations. Therefore, the inability of the reinsurers to meet their financial obligations could materially affect the results of the Athora Netherlands Group. Reinsurers are chosen with care, given the risk appetite and the reinsurance policy. Counterparties will be assessed on compliance with Solvency II (as defined below), rating, continuity, partnership, capacity and market experience. Despite the assessment and the periodic review of the financial statements and reputations of the reinsurers, the reinsurers may become financially unsound by the time they are called upon to pay amounts due, which may not occur for many years.

Unforeseeable and/or catastrophic events, terrorist attacks and similar events could have a negative impact on the business and results of the Athora Netherlands Group

Catastrophes could result in substantial impact on the business, revenues, results, financial condition and prospects of the Athora Netherlands Group. Catastrophe risk can come about as a single event, or series of events, that leads to a significant deviation in actual claims from the total expected claims that may exceed its established provisions. These unpredictable/unforeseeable events may affect multiple insured risks. Such events include both natural and man-made events, such as, but not limited to pandemics, industrial explosions, earthquakes, climate change, weather related events and man-made disasters such as civil unrest and terrorist attacks. The Athora Netherlands Group has several reinsurance contracts to mitigate known risks, but the extent of possible losses is still related to their frequency, the severity of each individual event, the availability of reinsurance options, the affordability of these options and their adequacy to protect against losses. Reinsurers may also default on their reinsurance obligations. In accordance with industry practices, provisions are established based on estimates using actuarial projection techniques. The process of estimating is based on information available at the time the provisions are originally established. Although the adequacy of the provisions are continually reviewed and believed to be sufficient, there is no assurance that actual claims will not exceed estimated claim provisions. An inadequate provision can lead to losses, premium events and massive loss of customers and even to abrupt interruption of activities.

A failure to accurately estimate inflation and factor it into the Athora Netherlands Group's product pricing, expenses and liability valuations could have a material adverse effect on the Athora Netherlands Group's business, revenues, results and financial condition

A failure to accurately estimate inflation and factor it into the Athora Netherlands Group's product pricing and liability valuations with regard to future claims and expenses could result in the systemic mispricing of long-term insurance products resulting in underwriting losses, and in restatements of insurance liabilities, which could have a material adverse effect on the Athora Netherlands Group's business, revenues, results and financial condition. In the case of expenses, the Athora Netherlands Group's most significant exposure to inflation risk is in its life insurance and long-term disability business. With respect to claims, the Athora Netherlands Group's most significant exposure to inflation risk is in its funeral and disability insurance policies. Although the property portfolio generally provides a natural inflation hedge, it may not offset the effects of inflation on the Athora Netherlands Group's business.

A sustained increase in inflation may result in (a) claims inflation (which is an increase in the amount ultimately paid to settle claims several years after the policy coverage period or event giving rise to the claim), expense inflation (which is an increase in the amount of expenses that are paid in the future) and indexation (increase of accrued pension), respectively, coupled with (b) an underestimation of corresponding reserves at the time of establishment due to a failure to fully anticipate increased inflation and its effect on the amounts ultimately payable, and, consequently, actual claims or expense payments that significantly exceed associated insurance reserves, which could have a material adverse effect on the Athora Netherlands Group's business, revenues, results and financial condition. An increase in inflation may also require the Athora Netherlands Group to update its assumptions. Updates in assumptions would result in an immediate change in the present value of the claims or expenses, respectively, used to determine available (regulatory) capital and would therefore have an immediate impact on available (regulatory) capital. Changes in assumptions could therefore have a material adverse effect on the Athora Netherlands Group's business, revenues, results and financial condition.

Previously unknown risks, which cannot be reliably assessed, so-called "emerging risks", could lead to unforeseeable claims and could have a material adverse effect on the Athora Netherlands Group's business, results of operations and financial condition

The term "emerging risks" is used in the insurance industry to refer to previously unknown risks that could cause substantial future losses and, therefore, are of major concern to insurance companies. Even more so than traditional risks, emerging risks are difficult to analyze because they often exist as hidden risks. Insurance premiums for emerging risks are difficult to calculate due to a lack of historical data about, or experience with, such risks or their consequences. At present, the consequences of potential worldwide climate change and average temperature increase are considered emerging risks and could increase the frequency of hurricanes, floods, droughts and forest fires. Other examples of emerging risks are demographic changes (such as the aging of the population), epidemics and pandemics, and risks that may arise from the development of nanotechnology or genetic engineering.

Despite its efforts aimed at early identification and continuous monitoring of emerging risks, the Athora Netherlands Group cannot give any assurance that it has been or will be able to identify these emerging risks and to implement pricing and reserving measures to avoid or minimize claims exposure to them. Defects and inadequacies in the identification and response to emerging risks could lead to unforeseen policy claims and benefits and could have a material adverse effect on the Athora Netherlands Group's business, results of operations, financial condition and prospects.

Regulatory and Litigation Risks

The Athora Netherlands Group operates in industries that are highly regulated

The Athora Netherlands Group conducts its business in an environment that is highly regulated, for example by financial services laws and regulations, corporate governance and administrative requirements and policies. The financial services industry continues to be subject to significant regulatory scrutiny and increasing regulation, both internationally and domestically. The political climate and the political parties holding government in the Netherlands often determine the supervisory authorities' agendas and focus points. This trend has accelerated markedly as a result of the financial crisis of 2008. This has led to a more intensive approach to supervision and oversight, increased expectations, stricter interpretations of existing laws and regulations, a sharp increase in the volume of new laws and regulations and the pace at which they are issued, enhanced requirements and enforcement, and an increasing frequency and amount of data requests and visits from competent supervisory authorities. Over the past years, the general trend in regulation has been to hold insurance institutions to increasingly stricter and more detailed standards concerning their duty of care to their customers. For example this trend affects the Athora Netherlands Group's life insurance business through rules regarding the sale of pension and life insurance products to individuals and regarding the duty of care to instigate customers with specific investment insurance policies to review their position and subsequently take

adequate action.

Implementing and monitoring compliance with applicable requirements means that the Athora Netherlands Group must continue to have a large staff dedicated to these activities and to spend monetary and management resources and to create sufficient awareness with the business staff of the products and services the Athora Netherlands Group offers and the rules applicable to them. If the Athora Netherlands Group is unable to commit sufficient resources for regulatory compliance, this could lead to delays and errors, and may force it to prioritise compliance matters over support for commercial activities, or may ultimately force the Athora Netherlands Group to cease the offering of certain products or services. Organisational change as well as the pursuance by the Athora Netherlands Group of its strategic objectives (including growth and extended scale) may result in employees and their knowledge and expertise leaving the Athora Netherlands Group and an increased strain on the existing organisation. As a result, resources for regulatory compliance may turn out to be insufficient.

Any delays or errors in implementing regulatory compliance could lead to substantial monetary damages and fines, loss of significant assets, public reprimands, a material adverse effect on the Athora Netherlands Group's reputation, regulatory measures in the form of cease and desist orders, increased regulatory compliance requirements or other potential regulatory restrictions on the Athora Netherlands Group's business, enforced suspension of operations and in extreme cases, withdrawal of licences or authorisations to operate particular businesses, or criminal prosecution in certain circumstances, any of which could have a material adverse effect on the Athora Netherlands Group's business, revenues, results, financial condition and prospects.

Certain additional related risks are discussed more specifically in various subparagraphs below, including under "*Risk and impact of recent and ongoing financial regulatory reform initiatives*".

Changes in reporting standards or policies could adversely affect the Athora Netherlands Group's reported results and the reported financial condition

The Athora Netherlands Group's consolidated financial statements are subject to the application of IFRS, which are periodically revised or expanded. As a result, the Athora Netherlands Group is required to adopt new or revised reporting standards issued by the International Accounting Standards Board and endorsed by the European Commission (the EC). It is possible that future new or amended IFRS, which the Athora Netherlands Group is required to adopt, will change the current accounting treatments that the Athora Netherlands Group applies in its consolidated financial statements. Such changes could have a material adverse effect on the Athora Netherlands Group's reported results and its reported financial condition.

Especially the expected implementation of IFRS 9 (effective for the Athora Netherlands Group as from 1 January 2023 due to the application of the temporary exemption) and the new standard on insurance contracts – IFRS 17 (effective as from 1 January 2023) – will lead to changes in the Athora Netherlands Group's reporting policies. The package of improvements introduced by IFRS 9 includes a new model for classification and measurement of financial assets, a single, forward-looking 'expected loss' impairment model and a more principle-based approach to hedge accounting. IFRS 17 introduces (among other things) new measurement and presentation principles for insurance contracts; measurement of insurance liabilities is primarily based on current estimates and unearned future profits, if any, are recognised as a part of these liabilities. In addition to these changes, the Athora Netherlands Group may choose to adjust its reporting policies, if compliant with IFRS, in order to align its statutory reporting with its regulatory reporting. All changes in reporting standards, either mandatory or optional, may lead to a material adverse effect on the Athora Netherlands Group's reported results and reported financial condition. At this moment it is not possible to make a reliable quantified estimation of the impact of these changes on the results and financial condition of the Athora Netherlands Group.

The Athora Netherlands Group is subject to stress tests and other regulatory enquiries

In order to assess the level of available capital in the insurance sector, the national and supra-national regulatory authorities (such as EIOPA) require solvency calculations and conduct stress tests where they examine the effects of various adverse scenarios on insurers. Furthermore, DNB periodically conducts thematic supervisory investigations. Announcements by regulatory authorities that they intend to carry out such calculations, tests or investigations can destabilise the insurance sector and lead to a loss of trust with regard to individual companies or the insurance sector as a whole. In the event that the Athora Netherlands Group's results in such calculations, tests or investigations are worse than those of its competitors and these results become known, this could also have adverse effects on the Athora Netherlands Group's financing costs, customer demand for the Athora Netherlands Group's products and the Athora Netherlands Group's reputation. Furthermore, a poor result by the Athora Netherlands Group in such calculations, tests or investigations could influence regulatory authorities in the exercise of their discretionary powers.

Changes in tax laws and international developments

Changes in tax laws, tax policy or case law may make some of the Athora Netherlands Group's insurance, pensions, investment management and other products less attractive to customers, decreasing demand for certain of the Athora Netherlands Group's products and increasing surrenders of certain of the Athora Netherlands Group's in-force life insurance policies, which may have a material adverse effect on the Athora Netherlands Group's business, revenues, results, financial condition and prospects. Changes in the applicable tax legislation, in the interpretation of existing tax laws, amendments to existing tax rates, or the introduction of new tax legislation, specifically with respect to taxation of insurance and investment management companies, may lead to a higher tax burden on the Athora Netherlands Group, material impact on the Athora Netherlands Group's tax receivables and liabilities as well as deferred tax assets and deferred tax liabilities, and may have a material adverse effect on the Athora Netherlands Group's business, results and financial condition. A future higher tax burden on the Athora Netherlands Group may also be a consequence of international developments (and the local implementation thereof), including but not limited to the OECD anti-Base Erosion and Profit Shifting Project and the European Anti-Tax Avoidance Directives. Amendments to applicable laws and tax policy may be issued or altered with retroactive effect. Additionally, tax authorities may change their interpretations of tax laws at any time, and/or challenge applied tax procedures or positions taken, which may lead to a higher tax burden on the Athora Netherlands Group. While changes in tax laws and tax policy would affect the insurance sector as a whole, changes may be more detrimental to particular operators in the industry. A higher tax burden on the Athora Netherlands Group could negatively impact the financial condition of the Athora Netherlands Group.

Litigation, regulatory measures and other proceedings or actions

The Athora Netherlands Group faces potentially significant risks of litigation, regulatory activity and measures (including investigations) as well as other actions in the conduct of its business. In the Netherlands, both the number and size of claims, litigation, regulatory measures, investigations, proceedings and other adversarial events (including, without limitation class actions) against financial institutions are increasing. These legal risks could potentially involve, but are not limited to, disputes concerning the products and services of the Athora Netherlands Group and its position as principal, issuer of securities or otherwise.

Increasingly, financial institutions are held liable by customers for actions of intermediaries even if there has been little to no control over the actions of such intermediaries. Also, the Athora Netherlands Group is increasingly exposed to collective claims (with or without merit) from groups of customers or consumer organisations seeking damages for an unspecified or indeterminate amount or involving novel legal claims. These risks are often difficult to assess or to quantify and their existence and magnitude often remain unknown for substantial periods of time. It is inherently difficult to predict the outcome of many of the pending or future claims, regulatory proceedings and other adversarial proceedings involving the Athora Netherlands Group. General changes in legislation (including, without limitation, to further facilitate class actions) may affect the Athora Netherlands Group adversely. Furthermore, changes to customer protection laws and regulations or to

the interpretation and perception by both the public at large and governmental and supervisory authorities of acceptable market practices, may influence client expectations as well as the interpretation of contract terms. Such changes may relate to the requirements of the duty of care of insurers during the lifecycle of insurance and pension products, such as specifications of annual reports to customers and any future demands of legislators and/or regulators to provide special, occasional information. Consequently, such changes may result in products not meeting client expectations and, consequently, clients making claims against the Group. Furthermore, such changes may result in clients, governmental authorities and courts interpreting contract terms differently than anticipated at the time such contract terms were determined. This risk arises particularly in respect of products with a long duration, which by nature may be subject to contract terms that have been determined without anticipating changes to customer protection regulations or to the interpretation and perception of acceptable market practices that may have occurred since. The costs to defend future actions may be significant. There may also be reputational damage and/or adverse publicity associated with litigation that could decrease customer acceptance of the Athora Netherlands Group's products and services, regardless of whether the allegations are valid or whether the Athora Netherlands Group is ultimately found liable (see also "*The Athora Netherlands Group is exposed to risks of damage to its reputation*").

As a result, litigation may adversely affect the Athora Netherlands Group's business, revenues, results, financial condition and prospects. Current and future subsequent legal proceedings could have a substantial financial and reputational impact. However, it is not possible to make reliable estimates of the expected number of proceedings, possible future precedents or the financial and/or reputational impact of current and possible future proceedings. The political, regulatory and public focus on investment-linked insurances remains. See also "*The Athora Netherlands Group is exposed to (litigation) risks related to the offering of investment insurance, investment pension and profit sharing policies*".

The Athora Netherlands Group is exposed to (litigation) risks related to the offering of investment insurance, investment pension and profit sharing policies

SRLEV has a diverse portfolio of insurances which consists of a variety of products with distinct characteristics and different versions of contractual documentation, also as a result of several mergers and acquisitions in the past. Within this portfolio, investment insurance, investment pension and profit sharing policies are exposed to individual claims. Furthermore, on a regular basis, letters interrupting time limits from claim organisations are being received. It is not to be excluded such letters will, over time, be followed by substantiated collective claims.

In this respect, SRLEV has concluded approximately 1.2 million investment-linked insurance policies, of which about 178,000 were still outstanding as at 31 December 2020 including both policies for which customers still pay premiums and policies for which customers no longer pay any premiums.

After market downturns following the year 2000, the development of value in investment-linked insurances fell behind compared to the value forecast calculations used at the time the investment-linked insurances were concluded. This drew public attention to both the (investment) risks and the costs of these products. Public attention on investment-linked products was further triggered by (i) a 2003 report by the AFM on the risks of mortgage loans combined with investment products, (ii) findings by the AFM in 2006 that insurers in some cases provided customers with incomplete and incorrect information on such products and (iii) reports published by the AFM in 2008. Various foundations and associations presented themselves as representatives of policyholders. In 2008, the Ombudsman of the Financial Services Complaints Institute (**KiFiD**) issued a recommendation in which it proposed to limit the cost level of investment-linked insurances.

Organisations representing policyholders' interests have engaged with various large insurers to come to a settlement with each of these insurers. In this regard, SRLEV entered into a general agreement with several organisations representing policyholders on 24 March 2009, which was followed up by a settlement agreement dated 15 November 2010 (the **Compensation Agreement**) for the benefit of policy holders, maximising the costs of investment insurance policies: the costs of the investment insurance policies should be lower than a

certain (in the Compensation Agreement) agreed percentage of the accumulated value of the concerned insurance. If these costs are higher than the maximum costs, SRLEV will compensate the policy holders. The agreements with the organisations are not binding to policyholders. Consequently, neither the implementation of the compensation schemes nor the additional measures offered by SRLEV (see below) prevent individual policyholders from initiating legal proceedings against SRLEV and making claims for damages. The Compensation Agreement has been executed.

After entering into the Compensation Agreement, SRLEV – as a response to the lack of confidence resulting from the ongoing debates on the investment-linked insurances – took additional measures to instigate clients, amongst others, to review their position and subsequently take adequate action. These measures are generally referred to as 'Additional Policy' (*Flankerend Beleid*). The Dutch Minister of Finance (the **Minister**) formulated guidelines, commonly called "the best of class policy", which guideline SRLEV has implemented, and which focus on instigating clients to review their position and on insurers offering alternative products to these clients.

At the request of the Minister, SRLEV (as well as other offerors of investment-linked insurances) did (and does) not invoke the stipulation in the Compensation Agreement that payment of compensation takes place against full and final settlement. Policyholders are therefore entitled to claim additional compensation. A number of policyholders – a number of which are represented by consumer organisations – have pursued, and in some cases are still pursuing, claims, which in some cases have led to legal proceedings. Claims are – amongst others – based on the following grounds:

- breach of duty of care regarding pre-contractual disclosure obligations, especially relating to costs, product risks and investment risk in general;
- the costs related to the insurances were not (fully) agreed upon and too high;
- the effect of costs on the potential value of the policy is not (fully) disclosed;
- failure to inform clients during the duration of the policy about (diminishing) chances of achieving the calculated final capital; and/or
- the insurances are considered defective financial products as they have proven not to withstand mid-term fall in prices ('*crash risk*').

Legal proceedings were initiated against SRLEV, either before the civil courts or the complaints committee of KiFiD. Circa 23 proceedings were pending at 31 December 2020 including a class action brought by Vereniging-Woekerpolis.nl regarding Swiss Life Belegspaarplan and AXA Verzekerd Hypotheekfonds. In this class action, by judgement of 20 December 2017 of the District Court Noord Holland denied most claims, except for two elements: (i) the Court ruled that SRLEV did not meet its obligation to provide information on increasing life premiums as the accrued capital diminishes (*hefboomen inteereffect*) and as a result committed tort. For two individual co-claimants in the class action, SRLEV was ordered to compensate their damages, if any, resulting from this tort. The Court also (ii) nullified a condition regarding cost indexation and held that the indexation increase is therefore (in part) unduly paid by clients. The judgement does not have immediate effect. The Athora Netherlands Group believes that the judgement does not have substantial influence on the assessment of its investment insurances risk profile. Both Woekerpolis.nl and SRLEV filed appeal against the judgement, and the timing and outcome of the appeal are uncertain. The same claimant, Woekerpolis.nl, has also filed several class actions against other insurers based on comparable arguments, some of which may reach verdicts in appeal before the case against SRLEV, and in one of those class actions against a peer, the appellate court has voiced its intention to ask pre-judicial questions to the Dutch Supreme Court; the answers of the Supreme Court in that case may be of influence in the case against SRLEV.

Although the number of cases in which insurers are ordered to pay damages is limited, SRLEV still receives new claims and new legal proceedings are still initiated, mostly before the complaints committee of KiFiD.

The attention of the public, politics and supervisory authorities does not only focus on the costs of investment-linked insurances but also on the efforts undertaken by insurers to instigate clients with an active investment-

linked insurance to review their position and take adequate action. Furthermore, the AFM assesses the attribution of (elements of) continuous duty of care during the lifecycle to insurers, in light of the fact many clients do no longer have effective assistance of their (former) intermediary.

On 18 July 2015, legislation became effective, obligating insurers to comply with target figures set by the AFM to instigate clients with NOPs (A), mortgage-linked insurances, pension-linked insurances (B) and Other investment-linked insurances (C) to review their position and subsequently take adequate action. Given the variety in (historic) products involved, SRLEV faced significant operational challenges to execute all prescribed detailed actions to activate clients involved within time limits set, especially regarding mortgage and pension related policies.

On 29 April 2015, the European Court of Justice issued its ruling on preliminary questions submitted in relation to unit-linked products. The European Court of Justice ruled that the information requirements prescribed by the applicable European directive may be extended by additional information requirements included in national law, provided that these requirements are (i) necessary for a policyholder to understand the essential characteristics of the commitment and are clear, (ii) accurate and (iii) foreseeable. Dutch courts will need to take the interpretation of the European Court of Justice into account in relevant proceedings. Since 2015, there have been several and varying judgments by both KiFiD and the civil courts regarding the interpretation of the ruling of the European Court of Justice, especially concerning the question whether an unwritten duty of care (to further inform clients about costs or risks) was foreseeable for insurers. At the date of this Offering Memorandum there is no solid, general approach and the Dutch Supreme Court has not yet given its view on the interpretation of the 2015 ruling of the European Court of Justice.

Any future rulings in legal proceedings concerning investment-linked insurances and also any further regulatory initiatives, may substantially affect the financial situation and reputation of SRLEV. This, in turn, may negatively affect the Athora Netherlands Group's business, revenues, results, financial condition and prospects, since SRLEV is its main operating company.

There has been for some time and there continues to be political, regulatory and public attention focused on the unit-linked issue in general. Elements of unit-linked policies are being challenged or may be challenged on multiple legal grounds in current and future legal proceedings. There is a risk that one or more of those legal challenges will succeed, which could have a material adverse effect on the Athora Netherlands Group's business, results, financial condition and prospects.

In the past, Athora Netherlands has provided 403-Statements within the Athora Netherlands Group

In the past, Athora Netherlands has provided statements in accordance with section 2:403 of the Dutch Civil Code (*Burgerlijk Wetboek*) in relation to its subsidiaries SRLEV N.V. (**SRLEV**) and Proteq Levensverzekeringen N.V. (**Proteq**), pursuant to which Athora Netherlands declared itself to be jointly and severally liable for the legal acts performed by aforementioned entities. The 403-statement provided in relation to SRLEV was revoked in November 2015 and the 403-statement provided in relation to Proteq was revoked in January 2017. Athora Netherlands can still be held liable for any damages deriving from acts of these entities performed up until such revocation. This may adversely affect the Athora Netherlands Group's business, revenues, results, financial condition and prospects.

Athora Netherlands is subject to stringent data privacy laws and may therefore be exposed to increased compliance costs and to confidentiality and security breaches

Athora Netherlands is subject to complex and evolving European, Dutch and other jurisdictions' laws and regulations regarding the collection, retention, sharing and protection of data which Athora Netherlands receives from, and which concern, customers, as well as its personnel and third parties it deals with. The Athora Netherlands Group makes use of data (e.g., to price its products) that give rise to risk of non-compliance under the legal data protection frameworks. Members of Athora Netherlands that are subject to

European and Dutch data protection laws and that process, or have third party service providers process personal data in jurisdictions that do not offer a similar level of data protection, are subject to an increased risk of non-compliance with data protection legislation. Security breaches may lead to unlawful use of personal data for which Athora Netherlands is responsible, as well as notification obligations towards financial and other supervision bodies (e.g., data protection authorities) or affected individuals, damage to Athora Netherlands' reputation and claims from individuals.

The General Data Protection Regulation (**GDPR**) has entered into force on 25 May 2018 and applies across the European Union (**EU**). The GDPR imposes stringent data protection obligations. The GDPR sets forth sanctions for data protection compliance violations of up to a maximum of EUR 20,000,000 or 4% of Athora Netherlands' global annual net turnover, depending on the type of violation.

Athora Netherlands has to maintain an internal register recording all security breaches experienced by Athora Netherlands and its third party service providers. Under the GDPR, data controllers must notify most serious data breaches to the Data Protection Authority within 72 hours after becoming aware of them; in some cases, the data subjects must also be informed.

The e-Privacy Directive (incorporated in the Dutch Telecommunications Act, *Telecommunicatiewet*) prescribes specific rules concerning the processing of personal data in the electronic communication sector. In the past few years, important changes have interested the electronic communication arena, for example the spread of internet based communications services. The European Commission has turned its attention to a review of the e-Privacy Directive, as part of its Digital Single Market strategy. On 10 January 2017 it published a proposal for a new e-Privacy Regulation. The proposal is currently subject to negotiations at the European Parliament and the Council. The e-Privacy Regulation may have impact on Athora Netherlands' business.

Any failure to comply with privacy laws and regulations or data protection policies may lead to fines and may undermine Athora Netherlands' reputation and may have a material adverse effect on Athora Netherlands' business, revenues, results, financial condition and prospects.

Risks relating to the Dutch Intervention Act, the Dutch Act on Recovery and Resolution of Insurance Companies and any future legislation resulting from the EIOPA opinions

Under the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) (**DFSA**), DNB and the Minister have far-reaching powers to deal with ailing Dutch insurance companies prior to insolvency.

The Dutch Intervention Act, which is embedded in the DFSA, empowers the Dutch Minister of Finance (i) to commence proceedings leading to ownership by the Dutch State (nationalisation) of an insurance company, or its parent company, and expropriation of assets and liabilities, claims against it and/or securities, and (ii) to take immediate measures which may deviate from statutory provisions or from the articles of association of the relevant company, in each case if the company has its corporate seat in the Netherlands, if in the opinion of the Minister of Finance the stability of the financial system is in serious and immediate danger as a result of the situation in which the relevant company finds itself.

On 1 January 2019, the Dutch Act on Recovery and Resolution of Insurance Companies (*Wet herstel en afwikkeling verzekeraars*) (**IRRA**) entered into force. The IRRA is also embedded in the DFSA. With the IRRA, the legislative framework for the recovery and resolution of insurers was strengthened and a new recovery and resolution framework was introduced under which certain obligations are imposed on insurers and certain resolution powers are conferred on DNB. The new recovery and resolution framework applies to, among others, all insurers who are subject to DNB's prudential supervision.

The IRRA distinguishes two phases: the preparation phase and the resolution phase. During the preparation phase, each insurer is required to draw up a preparatory crisis plan and DNB is required to draw up (and

periodically evaluate) a resolution plan for each insurer. During the resolution phase, DNB has several recovery and resolution tools. The resolution tools include the bail-in tool, the sale of business tool, the bridge institution tool and the asset separation tool. The bail-in tool comprises a general power for DNB to write down the claims of unsecured creditors of a failing insurer or to convert unsecured debt claims into equity. In addition to the abovementioned resolution tools and corresponding powers, the IRRA gives DNB special powers to take actions such as: (i) taking over the management of an insurer under resolution, (ii) appointing a special director to take over the insurer's management, (iii) converting the insurer into a different legal form if this is necessary to apply bail-in, and (iv) terminating or modifying the terms of an agreement to which the insurer is a party. The application of any measures described above may have a material adverse effect on the Athora Netherlands Group and its business, financial position and results of operations.

The exercise of the powers of DNB or the Minister under the DFSA, in particular the Dutch Intervention Act and the IRRA, may have a material adverse effect on the performance of a failing institution, which may include Athora Netherlands or a member of the Athora Netherlands Group, of its payment and other obligations under debt securities, such as the Notes, or result in the expropriation, bail-in, write-off, write-down or conversion of securities, such as shares and debt obligations, including the Notes, issued by the failing institution or its parent, which may include Athora Netherlands or a member of the Athora Netherlands Group.

EIOPA has in public opinions and consultations called for the establishment of a minimum harmonised and comprehensive framework in the area of recovery and resolution of insurers and reinsurers. However, as the date hereof it is unclear whether and in what form such European-wide framework will come into effect.

Additional requirements for Dutch insurers to repay capital or to pay out distributions from reserves

With effect from 1 January 2014, insurers in the Netherlands are required to apply for a declaration of no objection (*verklaring van geen bezwaar*) (**DNO**) in the event of a reduction of own funds if, at the time of the reduction, they do not satisfy the solvency capital requirement or it is likely that they will be unable to satisfy this requirement in the next twelve months. If a DNO is not received from DNB, no reduction of own funds will be allowed to be effected. Athora Netherlands is a holding company and is dependent on loans, dividends and other payments from its operating subsidiaries to generate the funds necessary to meet its financial obligations, including the payment of dividends and payment of principal and interest on the Notes. Therefore, any such limitation on pay out of distributions by its subsidiaries to Athora Netherlands will impact Athora Netherlands' ability to fulfil its obligations under the Notes.

Risk relating to Solvency II or higher solvency levels imposed by DNB

As from 1 January 2016, the Athora Netherlands Group has had to comply with a new solvency framework and prudential regime (**Solvency II**). Solvency II consists of a European Directive (2009/138/EC) implemented in Dutch law, a European Regulation (EU) No 2015/35) and a number of technical standards and guidelines issued by EIOPA. Solvency II has created a new solvency framework in which the financial requirements that apply to an insurance, reinsurance company and insurance group, better reflect such company's specific risk profile. Solvency II introduced risk-based solvency requirements across all Member States of the EU and a new 'total balance sheet' type regime where insurers' material risks and their interactions are considered. Management of the capital position of the Athora Netherlands Group is organised at Athora Netherlands level.

Under Solvency II, insurers are required to hold own funds equal to or in excess of a solvency capital requirement (**SCR**). Solvency II categorises own funds into three tiers with differing qualifications as eligible available regulatory capital. Under Solvency II, own funds use IFRS balance sheet items where these are at fair value and replace other balance sheet items using market consistent valuations. The determination of the technical provisions is, on the one hand, based on "hedgeable" risks that can effectively be covered in the financial markets (valued at the market value of these financial instruments) and, on the other hand, "non-

hedgeable" risks (valuation of which is based on a "best estimate" plus a risk margin).

To calculate the best estimate of current liabilities relating to insurance contracts, which corresponds to the probability-weighted average of future cash-flows taking account of the time value of money (expected present value of future cash-flows), insurers must use the basis risk-free interest rate curve. The basis risk-free interest rate curve is a swap curve corrected for a CRA with an extrapolation from the LLP to the UFR. On top of this, assuming certain requirements are met, insurers may use a MA or VA. The VA covers insurance products where the MA is not applied. The MA is subject to supervisory approval and, to the extent that such approval will be granted, the MA will be applied. Currently, Athora Netherlands applies the VA and does not apply the MA.

The SCR is a risk-based capital requirement which is determined using either the standard formula (set out in the European Regulation), or, where approved by the relevant supervisory authority, an (partial) internal model. The (partial) internal model can be used in combination with, or as an alternative to, the standard formula as a basis for the calculation of an insurer's SCR. In the Netherlands, such a model must be approved by DNB. Athora Netherlands Group currently uses the standard formula.

These quantitative requirements (*e.g.*, SCR, technical provisions) form the first pillar of supervision. The second pillar complements the first pillar with qualitative requirements regarding the governance of insurers. Rules in this pillar most importantly relate to the internal organisation of insurers including rules on key functions, risk management and the internal control of insurers. In the area of risk management the requirement of an own risk and solvency assessment (**ORSA**) requires insurers to undertake a self-assessment of their risks, corresponding solvency requirements and adequacy of own funds. The third pillar concerns transparency and requires extensive reporting to supervisory authorities and a solvency and financial condition report to be made public.

While the aim of Solvency II is to introduce a harmonised, risk-based approach to solvency capital, there is a risk of differences in interpretation and a risk of failure by supervisory authorities to align Solvency II approaches across Europe, resulting in an unequal competitive landscape. This risk may be exacerbated by discretionary powers afforded to supervisory authorities in Member States. Whereas certain of the Athora Netherlands Group's competitors may benefit from such failures or discretionary powers, the Athora Netherlands Group's business could be placed at a competitive disadvantage.

In certain specific situations DNB may impose a capital add-on (*i.e.*, a higher SCR) for the Athora Netherlands Group. DNB has indicated that also absent a capital add-on, it feels that it is not prudent for an insurer or insurance group to target an SCR ratio of only 100%.

Should the Athora Netherlands Group not adequately comply with the Solvency II requirements in relation to capital, risk management, documentation, and reporting processes, this could have a material adverse effect on its business, revenues, solvency (via a DNB prescribed capital add-on), results, financial condition and prospects. Additionally, there is a risk of changes to the Solvency II requirements (for example regarding the level of the UFR, the last liquid point, the underlying portfolio of the VA and own funds requirements) and/or differences in future interpretation by DNB of the Solvency II requirements and the current interpretation applied by Athora Netherlands (for example regarding the application of the UFR in the profit sharing curve and recoverability, loss absorbing capacity of deferred taxes and own funds requirements).

Solvency II has already been subject to review and amendments and will likely be further amended in the near future. For example, in 2020 a review of the Solvency II framework has taken place. Following a consultation, on 17 December 2020, EIOPA provided technical advice to the European Commission in the form of an opinion on the assessment of certain aspects of Solvency II. It is not possible to foresee exactly what the changes resulting from the 2020 Solvency II review (including EIOPA's opinion) and any further reviews will be and consequently, what the impact would be on the Athora Netherlands Group or on the rights of holders of the Notes, but depending on the nature of the changes, these could have an adverse effect on the

Athora Netherlands Group's solvency position. Given the possibility of further changes to the regime, the effects of Solvency II on the Athora Netherlands Group's business, solvency margins and capital requirements are uncertain but could be material. While the aim of Solvency II is to introduce a harmonised, risk-based approach to solvency capital, there is the risk that regulators introduce capital add-ons. Should the Athora Netherlands Group not be able to adequately comply with the Solvency II requirements in relation to capital, risk management, documentation and reporting processes, this could have a material adverse effect on its business, solvency, results and financial condition.

Risk and impact of recent and ongoing financial regulatory reform initiatives

Because the Athora Netherlands Group operates in a highly regulated industry, changes in laws, regulations and regulatory policies that govern its activities could have an effect on its business, operations and its net profits. Legislators and supervisory authorities, predominantly in Europe and in the United States but also elsewhere, have been and are still introducing and implementing a wide range of regulatory proposals that may result in changes to the way the Athora Netherlands Group's global operations are regulated and could have material adverse consequences for its business, business model, revenues, financial condition, results, reputation and prospects. The Athora Netherlands Group may also be materially and adversely affected by changes in the interpretation of existing rules, for example as a result of court judgments, or of developing or changing views of regulators, tax authorities and other authorities on the application of rules. Changes in law and regulation also affect the Athora Netherlands Group's business operations, revenues, results, financial condition and prospects.

Recent and ongoing regulatory and other legislative initiatives include, but are not limited to:

- **EMIR.** Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on over-the-counter (OTC) derivatives, central counterparties and trade repositories (**EMIR**) has introduced new requirements to improve transparency and reduce the risks associated with the derivatives market. Some of these requirements have already entered into force, while others will do so in the near future. As a result, certain parties that enter into derivative contracts must report certain information on these contracts and their counterparties to a trade repository, apply risk mitigating techniques (including portfolio compression, marked-to-market valuation, and margining, if applicable) for all OTC derivative trades that are not cleared by a central counterparty, and clear OTC derivatives that are subject to a central clearing obligation set forth in EMIR through a central counterparty.
- **Benchmark Regulation.** On 29 June 2016, Regulation (EU) No. 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (**Benchmark Regulation**) was published in the official journal and applies from 1 January 2018. The Benchmark Regulation aims to contribute to the accuracy and integrity of benchmarks used in financial instruments and financial contracts or to measure the performance of investment funds by, among others, (i) ensuring that benchmark administrators are subject to prior authorisation and supervision depending on the type of benchmark, requiring greater transparency on how a benchmark is produced, (ii) ensuring the appropriate supervision of critical benchmarks, such as the London Inter-Bank Offered Rate (LIBOR) and/or the Euro Interbank Offered Rate (EURIBOR), the failure of which might create risks for market participants and for the functioning and integrity of markets, and (iii) requiring EU supervised entities to only use benchmarks of administrators that are duly authorised and/or registered. As user of benchmarks for, amongst others, the debt securities it issues, the Issuer may only use benchmarks which are in compliance with the Benchmark Regulation.
- **Insurance Distribution Directive.** On 3 July 2012, the EC published proposals for a revision of the Insurance Mediation Directive (**IMD**), later renamed the Insurance Distribution Directive (**IDD**). On 23 February 2016, the IDD entered into force and as of 23 February 2018, the IDD is applicable in

all EU member states. The IDD recasts and repeals the IMD. Pursuant to the IDD, customer protection is extended to all distribution channels. Insurers carrying out direct sales will be required to comply with information and disclosure requirements and certain conduct of business rules, including a general obligation to act honestly, fairly and professionally in accordance with customers' best interests. Furthermore, if insurance products are offered in a package with another product or service which is not considered to be an insurance under the IDD, customers will have the choice to buy the (main) product or service separately, without the insurance product. The IDD also imposes additional requirements for transparency and product governance in respect of insurance products on insurers. In addition, the IDD sets out stricter requirements for the sale of life insurance products. For example, the obligation to identify and disclose conflicts of interest or the requirement to gather information from customers in order to assess the suitability or the appropriateness of the product. Therefore, the IDD has an impact on the Dutch insurance distribution market. This may also affect the Athora Netherlands Group's distribution channels and, directly or indirectly, the Athora Netherlands Group itself.

Risk Related to the Legal Structure of the Athora Netherlands Group

Athora Netherlands N.V. is a holding company with no operations and relies on its operating subsidiaries to provide it with dividend payments and other funds to meet its financial obligations and to pay out dividends

Athora Netherlands is a holding company with no material, direct business operations, but is authorised to act to a limited degree as intermediary for insurances of its subsidiary SRLEV and it relies on its available buffer and operating subsidiaries to provide it with liquidity. Nevertheless, all employees within the Athora Netherlands Group are employed by Athora Netherlands and Athora Netherlands operationally runs the various staff departments. Consequently, Athora Netherlands pays all costs relating to employment (however, these costs are pushed down to the operating subsidiaries). The principal assets of Athora Netherlands are the equity and debt interests (including restricted Tier 1 and/or Tier 2 debt) it directly or indirectly holds in its operating subsidiaries (which is a form of intra-group financing). As a result, Athora Netherlands' business, revenues, results, financial condition and prospects are substantially dependent on the trading performance of its consolidated subsidiaries. Athora Netherlands' ability to pay amounts due on the Notes will depend upon the level of distributions, interest payments and loan repayments, if any, received from Athora Netherlands' operating subsidiaries, any amounts received on asset disposals and the level of cash balances in addition to potential support from its shareholder. The ability of Athora Netherlands' subsidiaries to make such distributions and other payments depends on their earnings and solvency position and may be subject to regulatory limitations as set out in the risk factor "Additional requirements for Dutch insurers to repay capital or to pay out distributions from reserves" above and to other legal and regulatory limitations.

As a holder of equity and subordinated debt in its subsidiaries, Athora Netherlands' right to receive assets upon their liquidation or reorganisation will be subordinated to the claims of creditors of its subsidiaries. To the extent that Athora Netherlands is recognised as a creditor of such subsidiaries, Athora Netherlands' claims may still be subordinated to any security interest in, or other lien on, their assets and to any of their debt or other obligations that are senior to Athora Netherlands' claims.

Risks Related to the Notes

Risks relating to the structure of the Notes

Athora Netherlands' obligations under the Notes are subordinated

The obligations of Athora Netherlands under the Notes in respect of principal and interest rank *pari passu* and without any preference among themselves and constitute unsecured and subordinated obligations of Athora Netherlands, ranking (a) junior to the claims of all Senior Creditors of Athora Netherlands, (b) *pari passu* with claims in respect of any Parity Obligations and (c) in priority to claims in respect of any Junior Obligations.

In the event of the insolvency (bankruptcy (*faillissement*), moratorium (*surseance van betaling*)), dissolution (*ontbinding*), liquidation (*vereffening*) or Resolution of Athora Netherlands, the payment obligations of Athora Netherlands under the Notes shall rank in right of payment after the claims of all Senior Creditors of Athora Netherlands and payment to Noteholders or Couponholders may only be made and any set-off by Noteholders or Couponholders shall be excluded until all obligations of Athora Netherlands in respect of such Senior Creditors have been satisfied, but, as the case may be, *pari passu* with claims in respect of Parity Obligations and in priority to claims in respect of any Junior Obligations.

In the event of incomplete payment of creditors ranking senior to holders of the Notes (in the context of the insolvency (bankruptcy (*faillissement*) or moratorium (*surseance van betaling*), dissolution (*ontbinding*), liquidation (*vereffening*) or Resolution of Athora Netherlands) the Noteholders shall have no further claim on Athora Netherlands in connection with principal and interest in respect of the Notes.

Therefore, there is a risk that an investor in the Notes will lose all or some of his investment should Athora Netherlands become insolvent or subject to Resolution, be dissolved or liquidated.

There are no events of default under the Notes

The Issuer is under no obligation to redeem the Notes at any time prior to the Maturity Date and the Noteholders have no right to call for their redemption. Noteholders may only declare Notes due and repayable in the case of the liquidation of the Issuer. Liquidation may occur as a result of the winding-up of Athora Netherlands (*ontbinding en vereffening*), bankruptcy (*faillissement*) of Athora Netherlands, the suspension of payments (*surseance van betaling*) being applied to Athora Netherlands or Resolution of Athora Netherlands, in either case, if that constitutes a liquidation.

Accordingly, if Athora Netherlands fails to meet any obligations under the Notes, including the payment of any interest, investors will not have the right of acceleration of principal. Upon a payment default, the sole remedy available to Noteholders for recovery of amounts owing in respect of any payment of principal or interest on the Notes will be the institution of proceedings to enforce such payment.

Mandatory deferral of interest payments

On any Mandatory Interest Deferral Date, Athora Netherlands will be obliged to defer payment of all (but not some only) of the interest accrued to that date, and Athora Netherlands shall not have any obligation to make such payment.

Any interest not paid on a Mandatory Interest Deferral Date and deferred in accordance with Condition 3.8, together with any other interest deferred on any previous Interest Payment Date, shall, so long as the same remains outstanding, constitute Arrears of Interest and shall be payable as outlined in Condition 3.8(iii) in *Terms and Conditions of the Notes*. Arrears of Interest themselves shall not bear interest.

Any actual or anticipated deferral of interest payments will be likely to have an adverse effect on the market price of the Notes. In addition, as a result of the above provisions of the Notes, the market price of the Notes may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to the above provisions and may be more sensitive generally to adverse changes Athora Netherlands' financial condition.

Payments made under junior or pari passu ranking instruments will not trigger an obligation for Athora Netherlands to make payments on the Notes

Payments on instruments ranking junior to or *pari passu* with the Notes will not trigger an obligation for Athora Netherlands to pay interest or Arrears of Interest on the Notes.

Potential investors in the Notes should therefore note that holders of instruments ranking junior to or *pari passu* with the Notes may receive payments from Athora Netherlands in priority to the Noteholders, even though their claims rank junior to or *pari passu* with those of the Noteholders.

Early redemption risk

Subject to the Prior Approval of the Relevant Supervisory Authority, Athora Netherlands may redeem the Notes in whole, but not in part, from (and including) 15 April 2026 to (and including) the Reset Date.

Athora Netherlands may also, at its option (A) redeem the Notes in whole, but not in part, (i) upon the occurrence of a Gross-Up Event, a Tax Deductibility Event, a Regulatory Event or a Rating Methodology Event at any time, (ii) upon exercise of its Make-whole Redemption option at any time after the Reset Date or (iii) if 80% (eighty per cent) or more of the Notes originally issued (including any further issues pursuant to Condition 12 (*Further Issues*)) have been purchased and cancelled at the time of such election (the **Clean-up Call Option**), in each case subject to the conditions to redemption and/or purchase, as further described in *Terms and Conditions of the Notes - Redemption and Purchase*.

Such redemption options, other than the Make-whole Redemption option, will be exercised at the principal amount of the Notes together with interest accrued to the date of redemption (including, for the avoidance of doubt, any Arrears of Interest thereon at such date).

The option for Athora Netherlands to redeem the Notes may affect their market value. From the date from which the Notes may be redeemed at the option of the Issuer, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to such date.

Athora Netherlands may be expected to redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes. There can be no assurance that, at the relevant time, 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 Notes. Potential investors should consider reinvestment risk in light of other investments available at that time.

Optional early redemption, exchange or variation of the Notes for taxation reasons

All payments in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Netherlands or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law.

If at any time, by reason of a change in any Dutch law or regulation, or any change in the official application or interpretation thereof, becoming effective on or after the Issue Date, Athora Netherlands would, on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay Additional Amounts as specified in Condition 6 or if an opinion of a recognised law firm of international standing has been delivered to Athora Netherlands and the Fiscal Agent, stating that by reason of a change in Dutch law or regulation, or any change in the official application or interpretation thereof, becoming effective on or after the Issue Date, payments of interest payable by Athora Netherlands in respect of the Notes would no longer be deductible in whole or in part, Athora Netherlands has the right to exchange or vary the Notes, subject (among other things) to such Exchanged Notes or Varied Notes qualifying as Qualifying Securities, which among other things entails that they have terms that are not materially less favourable to the Noteholders, so that after such exchange or variation a Tax Event no longer exists. Alternatively, Athora Netherlands has the right, under the same circumstances, to redeem the Notes early as further described in *Early redemption risk* above, *Redemption and purchase of the Notes is subject to certain conditions* below and in *Terms and Conditions of the Notes - Redemption and Purchase*.

Optional early redemption, exchange or variation of the Notes for regulatory reasons

The Notes are issued for capital adequacy regulatory purposes with the intention that all the proceeds of the Notes be treated under the Applicable Regulations as Tier 2 Own Funds of the Issuer or the Athora Netherlands Group on a consolidated basis. If as a result of any change in the Applicable Regulations (or an official application or interpretation thereof), on or after the Issue Date, the whole or any part of the proceeds of any outstanding Notes can no longer be treated as Tier 2 Own Funds of Athora Netherlands or the Athora Netherlands Group whether on a solo, group or consolidated basis (in each case, as applicable), except where such non-qualification is only as a result of any applicable limitation on the amount of such capital, Athora Netherlands has the right to exchange or vary the Notes, subject (among other things) to such Exchanged Notes or Varied Notes qualifying as Qualifying Securities, which among other things entails that they have terms that are not materially less favourable to the Noteholders, so that after such exchange or variation they are treated under the Applicable Regulations as at least Tier 2 Own Funds of Athora Netherlands or the Athora Netherlands Group. Alternatively, Athora Netherlands has the right, under the same circumstances, to redeem the Notes early as further described in *Early redemption risk* above, *Redemption and purchase of the Notes is subject to certain conditions* below and in *Terms and Conditions of the Notes - Redemption and Purchase*.

Optional early redemption, exchange or variation of the Notes for rating reasons

The Notes are issued with the intention on the part of Athora Netherlands that the proceeds of such Notes are assigned obtain a favourable capital recognition (including equity content) (a certain qualification of the treatment of the Notes by Fitch as capital of the Athora Group), *inter alia*, in line with existing methodology. Fitch may at some point revise its methodology which may affect the capital recognition (including equity content) assigned to the Notes. Athora Netherlands has the right, should such capital recognition (including equity content) assigned be materially adversely impacted and/or reduced when compared to the capital recognition (including equity content) assigned at or around the Issue Date or from the date on which the capital recognition (including equity content) is first assigned should such Rating Agency only assess the instrument at a later date as a result of a change in, or clarification to, the methodology (or the interpretation thereof) of Fitch on or after the Issue Date, to exchange or vary the Notes, subject (among other things) to such Exchanged Notes or Varied Notes qualifying as Qualifying Securities, which among other things entails that it has terms that are not materially less favourable to the Noteholders, so that after such exchange or variation, the capital recognition (including equity content) assigned to the exchanged or varied Notes is at least the same as the capital recognition (including equity content) assigned to the Notes at or around the Issue Date or from the date on which the capital recognition (including equity content) is first assigned should such Rating Agency only assess the instrument at a later date. Alternatively, Athora Netherlands has the right, under the same circumstances, to redeem the Notes early as further described in *Early redemption risk* and *Redemption of the Notes is subject to certain conditions* above and in *Terms and Conditions of the Notes - Redemption and Purchase*.

Redemption and purchase of the Notes is subject to certain conditions

Any redemption or purchase of the Notes is subject to the Prior Approval of the Relevant Supervisory Authority. Furthermore, the Notes may not be redeemed or purchased if (i) no Prior Approval of the Relevant Supervisory Authority has been obtained, (ii) a Capital Adequacy Event has occurred on the redemption date or purchase date or such redemption or purchase would itself cause a Capital Adequacy Event, (iii) Athora Netherlands is not Solvent prior to the relevant redemption date or purchase date or such redemption or purchase would itself cause Athora Netherlands no longer to be Solvent and/or (iv) an Insolvent Insurer Liquidation has occurred and is continuing on the relevant redemption date or purchase date. The occurrence of any of such conditions in respect of Athora Netherlands shall constitute a Mandatory Redemption Deferral Event, except in case of certain circumstances, amongst others, where the Relevant Supervisory Authority has exceptionally waived the deferral of such principal payment.

Furthermore, in the case of a redemption of the Notes upon the occurrence of a Gross-Up Event, a Tax Deductibility Event, a Regulatory Event or a Rating Methodology Event or upon exercise of the Clean-up Call Option or a purchase of the Notes that is within five years from the Issue Date, (A) such redemption or purchase

shall be in exchange for or funded out of the proceeds of a new issuance of capital of at least the same quality as the Notes or (B) if (a) the Solvency Capital Requirement, after the repayment or redemption or purchase, will be exceeded by an appropriate margin taking into account the solvency position of the Issuer including the Issuer's medium-term capital management plan as provided in the Applicable Regulations and either (b) a Regulatory Event occurs, and both of the following conditions are met: (i) the Relevant Supervisory Authority considers the negative impact on the classification of the Notes as described in the definition of Regulatory Event to be sufficiently certain and (ii) the Issuer demonstrates to the satisfaction of the Relevant Supervisory Authority that the occurrence of a Regulatory Event was not reasonably foreseeable at the time of issuance of the Notes or (c) a Tax Event occurs which the Issuer demonstrates to the satisfaction of the Relevant Supervisory Authority is material and was not reasonably foreseeable at the time of issuance of the Notes, in each case, if the Applicable Regulations make a redemption or purchase conditional thereon. See further in *Terms and Conditions of the Notes - Redemption and Purchase*.

No limitation on issuing or guaranteeing debt ranking senior to or "pari passu" with the Notes

There is no restriction on the amount of debt which Athora Netherlands may issue or guarantee. Athora Netherlands and its subsidiaries and affiliates may incur additional indebtedness or grant guarantees in respect of indebtedness of third parties, including indebtedness or guarantees that rank *pari passu* with or senior to the obligations under the Notes. If Athora Netherlands' financial condition was to deteriorate, the Noteholders could suffer direct and materially adverse consequences, including deferral of interest and, if Athora Netherlands were liquidated (whether voluntarily or not), the Noteholders could suffer loss of their entire investment.

Interest rate risk

Interest on the Notes before the Reset Date involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes. Interest on the Notes for the period from the Reset Date to the Maturity Date shall be calculated on the basis of the mid swap rates for Euro swap transactions with a maturity of five years plus a margin of 2.60 per cent. These mid swap rates are not pre-defined for the lifespan of the Notes. Higher mid swap rates for Euro swap transactions mean a higher interest on the Notes and lower mid-swap rates mean a lower interest on the Notes. As a consequence, the interest rate in respect of the Notes following the Reset Date may be less favourable than the prevailing interest rate in respect of the Notes prior to the Reset Date.

The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks"

Various interest rate benchmarks (including the Euro Interbank Offered Rate (**EURIBOR**)) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective, including Regulation (EU) No. 2016/1011 (the **Benchmark Regulation**) whilst others are still to be implemented.

Under the Benchmark Regulation, which became effective on 1 January 2018 in general, new requirements apply with respect to the provision of a wide range of benchmarks (including EURIBOR), the contribution of input data to a benchmark and the use of a benchmark within the European Union. In particular, the Benchmark Regulation, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of benchmarks and (ii) prevent certain uses by EU-supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU-based, deemed equivalent or recognised or endorsed).

Workstreams are underway in Europe to reform EURIBOR using a hybrid methodology and to provide a fall-back by reference to a euro risk-free rate (based on a euro overnight risk-free rate as adjusted by a methodology to create a term rate). On 13 September 2018, the working group on euro risk-free rates recommended Euro Short-term Rate (**€STR**) as the new risk free rate which was published for the first time by the ECB on 2 October 2019. In addition, on 21 January 2019, the euro risk free-rate working group published a set of guiding principles for

fall-back provisions in new euro denominated cash products (including bonds). The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts may increase the risk to the euro area financial system. Furthermore, in November 2020, the euro risk free-rate working group has released two public consultations on the topic of fallback rates to EURIBOR, responses to which were due by 15 January 2021. In one consultation, stakeholders were invited to provide their views on fallback rates based on the euro short-term rate (€STR) and spread adjustment methodologies in order to produce the most suitable EURIBOR fallback measures per asset class. In the other consultation, stakeholders were invited to give their views on potential events that could trigger such fallback measures. A final recommendation by the euro risk free-rate working group on both topics is expected to be published in the course of the first quarter of 2021.

These reforms and other pressures may cause one or more interest rate benchmarks to disappear entirely, to perform differently than in the past (as a result of a change in methodology or otherwise), create disincentives for market participants to continue to administer or participate in certain benchmarks or have other consequences which cannot be predicted.

The Benchmark Regulation could have a material impact on the Notes, as the from the Reset Date, the Interest Rate is based on the 5 Year Mid-Swap Rate which includes a floating leg based on the six-month EURIBOR rate and which is deemed to be a "benchmark", in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the requirements of the Benchmark Regulation. Pursuant to the fall-back provisions applicable to the Notes, an Independent Adviser appointed by the Issuer in accordance with Condition 3.2 shall determine whether an Alternative Benchmark Rate is available which will determine the way in which the interest rate is set. If the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine an Alternative Benchmark Rate, then the Issuer (in consultation with the Fiscal Agent or the Independent Adviser where appointed but unable to determine whether an Alternative Benchmark Rate is available and acting in good faith and a commercially reasonable manner) may determine which rate (if any) has replaced the 5 Year Mid-Swap Rate in customary market usage for purposes of determining a 5-year mid-swap rate denominated in Euro, or, if it determines that there is no such rate, which rate (if any) is most comparable to the 5 Year Mid-Swap Rate, and the Alternative Benchmark Rate shall be the rate so determined by the Issuer. This may lead to a conflict between the interests of the Issuer and the holders of the Notes. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility or the level of the published rate or level of the "benchmark".

Furthermore, if an Alternative Benchmark Rate is determined by the Independent Adviser or the Issuer in consultation with the Independent Adviser, the Terms and Conditions of the Notes provide that the Issuer may vary the Terms and Conditions of the Notes, as necessary to ensure the proper operation of such Alternative Benchmark Rate, without any requirement for consent or approval of the holders of the Notes.

If an Alternative Benchmark Rate is determined by the Independent Adviser or the Issuer, the Terms and Conditions of the Notes also provide that an adjustment factor may be determined by such Independent Adviser or the Issuer, following consultation with the Independent Adviser, to be applied to such Alternative Benchmark Rate. The aim of such adjustment factor is to make the Alternative Benchmark Rate comparable to a 5-year mid-swap rate based on the 6-months EURIBOR rate.

Furthermore, if the operation of the fall-back provisions would cause the Notes to cease qualifying as Tier 2 Own Funds by reason of the level of the substitute or successor rate, the Margin will be adjusted to such extent as is necessary to ensure continued qualification as Tier 2 Own Funds, provided that the Margin shall never be negative. Finally, no substitute or successor rate will be adopted, nor will any other amendment to the terms of the Notes be made, if and to the extent that the same would cause the Notes to cease qualifying as Tier 2 Own Funds of the Issuer or as other equivalent regulatory capital of the Issuer under the Applicable Regulations.

Under the Benchmark Regulation, each of the Issuer and the Independent Adviser may be considered an 'administrator'. This is the case if it is considered to be in control over the provision of the Alternative Benchmark Rate and any adjustments made thereto and/or otherwise in determining the Interest Rate in the context of a fall-back scenario. This would mean that the Issuer and/or the Independent Adviser has control over the (i)

administration of the arrangements for determining such rate, (ii) collection, analysis or processes of input data for the purposes of determining such rate and (iii) determination of such rate through the application of a method of calculation or by an assessment of input data for that purpose. Furthermore, for the Independent Adviser and/or the Issuer to be considered an 'administrator' under the Benchmark Regulation, the Alternative Benchmark Rate and any adjustments made thereto and/or otherwise in determining the Interest Rate in the context of a fall-back scenario may be a benchmark (index) within the meaning of the Benchmark Regulation. This may be the case if the Alternative Benchmark Rate and any adjustments made thereto and/or otherwise in determining the Interest Rate in the context of a fall-back scenario, are published or made available to the public and regularly determined by the application of a method of calculation or by an assessment, and on the basis of certain values or surveys.

The Benchmark Regulation stipulates that each administrator of a benchmark regulated thereunder or the benchmark itself must be registered, authorised, recognised or endorsed, as applicable, in accordance with the Benchmark Regulation. There is a risk that administrators (which may include the Issuer and the Independent Adviser in the circumstances as described above) of certain benchmarks will fail to obtain such registration, authorization, recognition or endorsement, preventing them from continuing to provide such benchmarks, or may otherwise choose to discontinue or no longer provide such benchmark. As a result, a fixed rate of 2.251 per cent. per annum, may apply to the Notes until the time that registration, authorised registration or endorsement of the relevant administrator has been completed or as substitute or successor rate for EURIBOR is available.

More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Such factors may have the following effect on certain "benchmarks": (i) discourage market participants from continuing to administer or contribute to such "benchmarks"; (ii) trigger changes in the rules or methodologies used in the "benchmarks" or (iii) lead to the disappearance of the "benchmark" without being replaced by a successor benchmark.

Moreover, any significant change to the setting or existence of EURIBOR could affect the ability of the Issuer to meet its obligations under the Notes and could have a material adverse effect on the value or liquidity of, and the amount payable under, the Notes.

Potential investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmark Regulation and benchmark reforms, investigations and licensing issues in making any investment decision with respect to the Notes.

General risks relating to the Notes

Legality of purchase

Neither Athora Netherlands, the Joint Lead Managers nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

Modification, waivers and substitution

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

Taxation

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court

decisions may be available for financial instruments such as the Notes. The tax impact on Noteholders generally in the Netherlands is summarised in the chapter entitled "*Taxation*"; however, the tax impact on an individual Noteholder may differ from the situation described for Noteholders generally. Potential investors cannot rely upon such tax summary contained in this Offering Memorandum but should ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the Notes. Only this adviser is in a position to duly consider the specific situation of the potential investor. This risk factor has to be read in connection with the taxation sections of this Offering Memorandum.

Change of law and jurisdiction

The Terms and Conditions of the Notes are based on Dutch law in effect as at the date of this Offering Memorandum. No assurance can be given as to the impact of any possible judicial decision or change in Dutch law or administrative practice or in the official application or interpretation of Dutch law after the date of this Offering Memorandum.

Many of the defined terms in the Conditions depend on the final interpretation and implementation of Solvency II. Further, the Relevant Supervisory Authority may interpret the Applicable Regulations, or exercise discretion accorded to the regulator under the Applicable Regulations in a different manner than expected. The manner in which many of the concepts and requirements under Solvency II will be applied to the Group over time remains uncertain.

Future regulatory proposals may also impose further restrictions on the Issuer's ability to make payments on the Notes. These issues and other possible issues of interpretation make it difficult to determine whether a Regulatory Event will occur or whether scheduled interest payments will be made on the Notes. This uncertainty and the resulting complexity may adversely impact the trading price and the liquidity of the Notes.

Prospective investors should note that the courts of Amsterdam shall have jurisdiction in respect of any disputes involving the Notes. Noteholders may take any suit, action or proceedings arising out of or in connection with the Notes against Athora Netherlands in any court of competent jurisdiction. Dutch law may be materially different from the equivalent law in the home jurisdiction of prospective investors in its application to the Notes.

Credit ratings may not reflect all risks

The Notes are expected to be rated BB by Fitch. The credit rating may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the 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.

Any decline in the credit ratings of the Notes may affect the market value of the Notes

Fitch is expected to assign a BB rating to the Notes. Fitch or any other rating agency may change its methodologies for rating securities with features similar to the Notes in the future. This may include the relationship between ratings assigned to an issuer's senior securities and ratings assigned to securities with features similar to the Notes, sometimes called "notching". If the rating agencies were to change their practices for rating such securities in the future and the ratings of the Notes were to be subsequently lowered, this may have a negative impact on the trading price of the Notes.

The Notes are expected to be rated as non-investment grade securities by certain rating agencies and will be subject to the risks associated with non-investment grade securities

The Notes, upon issue, are expected to be rated as non-investment grade securities by Fitch, and as such may be subject to a higher risk of price volatility than higher-rated securities. The trading prices of securities rated below investment grade are often more sensitive to adverse Issuer, political, regulatory, market and economic developments, and may be more difficult to sell, than higher-rated securities. In addition, the ratings assigned to

the Notes are subject to future changes in rating agency methodologies. If any rating assigned to the Notes and/or the Issuer is revised lower, suspended, withdrawn or not maintained by the Issuer, the market value of the Notes may be reduced.

An active trading market for the Notes may not develop

There can be no assurance that an active trading market for the Notes will develop, or, if one does develop, that it will be maintained. If an active trading market for the Notes does not develop or is not maintained, the market or trading price and liquidity of the Notes may be adversely affected. The Athora Netherlands Group is entitled to buy the Notes, which may then be cancelled or caused to be cancelled, and to issue further notes. Such transactions may favourably or adversely affect the price development of the Notes. If additional and competing securities are introduced in the markets, this may adversely affect the value of the Notes.

In addition, investors may not be able to sell Notes readily or at prices that will enable investors to realise their anticipated yield. No investor should purchase Notes unless the investor understands and is able to bear the risk that certain Notes will not be readily sellable, that the value of Notes will fluctuate over time and that such fluctuations will be significant.

The price at which a Noteholder will be able to sell the Notes may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

Because the Global Notes are held by or on behalf of Clearstream, Luxembourg and Euroclear, investors will have to rely on their procedures for transfer, payment and communication with Athora Netherlands

The Notes will be represented by Global Notes. The Global Notes will be deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg. Except in certain limited circumstances described in the Permanent Global Note, investors will not be entitled to receive Notes in definitive form. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by the Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

Athora Netherlands will discharge its payment obligations under the Notes by making payments to the common safekeeper for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in the Global Notes must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. Athora Netherlands has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes. In addition, Athora Netherlands has no responsibility for the proper performance by Euroclear and Clearstream, Luxembourg or their participants of their obligations under their respective rules and operating procedures.

Integral multiples of less than EUR 100,000

The denomination of the Notes is EUR 100,000 and integral multiples of EUR 1,000 in excess thereof, up to and including EUR 199,000. Therefore, it is possible that the Notes may be traded in amounts in excess of EUR 100,000 that are not integral multiples of EUR 100,000. In such a case, a Noteholder who, as a result of trading such amounts, holds a principal amount of less than EUR 100,000 will not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more denominations.

Exchange rate risks and exchange controls

Athora Netherlands will pay principal and interest on the Notes in Euro. 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 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 (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal 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 interest or principal than expected, or no interest or principal.

IMPORTANT INFORMATION

Athora Netherlands accepts responsibility for the information contained in this Offering Memorandum. To the best of the knowledge and belief of Athora Netherlands (having taken on reasonable care to ensure such is the case), the information contained in this Offering Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

No person has been authorised to give any information or to make any representation other than as contained in this Offering Memorandum in connection with the offering of the Notes and, if given or made, such information or representations must not be relied upon as having been authorised by Athora Netherlands or the Joint Lead Managers (as defined under "*Subscription and Sale*" below). Neither the delivery of this Offering Memorandum nor any sale made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Athora Netherlands Group since the date hereof.

The Notes are not intended to be held in a manner which will allow Eurosystem eligibility. However, 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.

The Joint Lead Managers expressly do not undertake to review the financial condition or affairs of Athora Netherlands during the life of the Notes or to advise any investor in the Notes of any information coming to their attention.

The Joint Lead Managers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Joint Lead Managers as to the accuracy or completeness of the information contained or incorporated in this Offering Memorandum or any other information provided by Athora Netherlands in connection with the offering of the Notes. The Joint Lead Managers accept no responsibility in relation to the information contained in this Offering Memorandum or any other information provided by Athora Netherlands in connection with the offering of the Notes or their distribution.

Where information has been sourced from a third party, this information has been accurately reproduced and, as far as Athora Netherlands is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Offering Memorandum is to be read in conjunction with all documents which are incorporated herein by reference (see "*Documents Incorporated by Reference*").

This Offering Memorandum should not be considered as a recommendation by Athora Netherlands or the Joint Lead Managers that any recipient of this Offering Memorandum should purchase any of the Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of Athora Netherlands and of the suitability of an investment in the Notes in light of its own circumstances.

This Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Memorandum and the offer or sale of Notes may be restricted by law in certain jurisdictions. Athora Netherlands and the Joint Lead Managers do not represent that this Offering Memorandum may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by Athora Netherlands or the Joint Lead Managers which is intended to permit a public offering of the Notes or

the distribution of this Offering Memorandum in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Memorandum or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Memorandum and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Memorandum and the offer or sale of Notes in the United States, the EEA, the United Kingdom, Hong Kong and Singapore, see "*Subscription and Sale*".

MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, **MiFID II**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

PRIPs Regulation / Prohibition of sales to EEA retail investors – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2016/97/EU (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIPs Regulation.

UK PRIIPS Regulation / Prohibition of sales to UK retail investors – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (UK). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or (ii) a customer within the meaning of the provisions of the financial services and markets act 2000 (**FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) no 600/2014 as it forms part of domestic law of the UK by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPS Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPS Regulation.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the **Securities Act**) and 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 or to U.S. persons as defined in Regulation S of the Securities Act. For a further description of certain restrictions on the offering and sale of the Notes and on distribution of this Offering Memorandum, see "*Subscription and Sale*" below.

Each prospective investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines

and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

Each prospective investor should consult its own advisers as to legal, tax and related aspects of an investment in the Notes. A prospective investor may not rely on Athora Netherlands or the Joint Lead Managers (as defined in “*Subscription and Sale*”) or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore - In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the **SFA**) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **CMP Regulations 2018**), the Issuer has determined the classification of the Notes as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Miscellaneous

This Offering Memorandum should be read and understood in accordance with any amendment or supplement hereto and with any other documents incorporated by reference herein.

All references in this Offering Memorandum to euro, euros, EUR and € refer to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty of Rome establishing the European Communities, as amended. All references in this Offering Memorandum to US\$, US dollar, USD or \$ refer to the lawful currency of the United States.

See “*Terms and Conditions of the Notes*” for capitalised terms used in this Offering Memorandum which are not otherwise defined.

In connection with the issue of the Notes, HSBC Continental Europe (or any person acting on behalf of the Stabilising Manager) (the **Stabilising Manager**) may 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, stabilisation may not necessarily occur. Any such stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease 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 Stabilising Manager in accordance with all applicable laws and rules.

Suitability of Investment

The Notes may not be a suitable investment for all investors. The Notes are complex financial instruments. A potential investor should not invest in the Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Memorandum or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, bearing in mind that the currency for principal or interest payments may be different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) 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 its investment and its ability to bear the applicable risks.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the Notes are legal investments for it, (ii) the Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Offering Memorandum and have been filed with the Euronext Dublin, shall be deemed to be incorporated in, and to form part of, this Offering Memorandum:

- (a) Athora Netherlands' publicly available annual report 2019 (English version), pages 73 to 259 (inclusive), containing the audited consolidated financial statements of the Athora Netherlands Group (including the notes thereto and the independent auditor's report thereon) in respect of the financial year ended 31 December 2019;
- (b) Athora Netherlands' publicly available annual report 2020 (English version) (the **Annual Report 2020**), pages 58 to 218 (inclusive), containing the audited consolidated financial statements of the Athora Netherlands Group (including the notes thereto and the independent auditor's report thereon) in respect of the financial year ended 31 December 2020; and
- (c) The articles of association (*statuten*) of Athora Netherlands dated 10 December 2020.

Those parts of the documents referred to above which are not incorporated by reference are, to the extent that such information is relevant for the investors, covered elsewhere in this Offering Memorandum.

Physical copies of the documents referred to above can be obtained without charge at the office of Athora Netherlands (Burgemeester Rijnderslaan 7, 1185 MD Amstelveen, the Netherlands), at the specified office of the Fiscal Agent (8 Canada Square, London, E14 5HQ, United Kingdom). Furthermore, this Offering Memorandum and all of the documents which are deemed to be incorporated herein by reference will be available on the website of Athora Netherlands: www.athora.nl. Written or oral requests for such documents should be directed to Athora Netherlands at its office set out at the end of this Offering Memorandum.

KEY FEATURES OF THE NOTES

The following overview refers to certain provisions of the Terms and Conditions and is qualified by the more detailed information contained elsewhere in this Offering Memorandum. Capitalised terms which are defined in the Terms and Conditions have the same meaning when used in this overview. References to numbered Conditions are to the Terms and Conditions as set out under *Terms and Conditions of the Notes*.

Issuer:	Athora Netherlands N.V.
Issuer's LEI:	724500MKKXKEVWMN9E13.
The Notes:	EUR 300,000,000 Fixed to Fixed Rate Subordinated Notes due 2031.
Issue Date:	15 April 2021.
Maturity Date:	15 July 2031.
First Call Date:	15 April 2026, subject as further set out below under "Conditions to Redemption and/or Purchase" and "Deferral of Redemption Date".
Risk Factors:	There are certain factors that may affect Athora Netherlands' ability to fulfil its obligations under the Notes. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with the Notes and certain risks relating to the structure of the Notes. These are set out under " <i>Risk Factors</i> ".
Status and Subordination:	The Notes and the Coupons rank <i>pari passu</i> and without any preference among themselves and constitute unsecured and subordinated obligations of the Issuer, ranking (a) junior to the claims of all Senior Creditors, (b) <i>pari passu</i> with claims in respect of any Parity Obligations and (c) in priority to claims in respect of any Junior Obligations.
Interest:	<p>Subject to Condition 3.8, the Notes will bear interest (i) from (and including) the Issue Date to (but excluding) the Reset Date at a fixed rate of 2.250 per cent. per annum payable annually in arrear on 15 July in each year, commencing on 15 July 2021.</p> <p>In respect of the period from the Reset Date, the Notes shall bear interest on their principal amount at a reset rate per annum as is equal to the sum of the Five-Year Reset Rate plus a margin of 2.60 per cent., payable annually in arrear on each Interest Payment Date, commencing on 15 July 2027.</p>
Deferral of Interest:	On any Mandatory Interest Deferral Date, the Issuer will be obliged to defer payment of all (but not some only) of the interest accrued to that date, and the Issuer shall not have any obligation to make such payment.

Any interest not paid on a Mandatory Interest Deferral Date and deferred in accordance with Condition 3.8, together with any other interest deferred on any previous Interest Payment Date, shall, so long as the same remains outstanding, constitute **Arrears of Interest** and shall be payable in accordance with Condition 3.8. Arrears of Interest themselves shall not bear interest.

Optional Early Redemption as from First Call Date:

The Issuer may, subject to having given prior notice to the Fiscal Agent and the Noteholders, redeem the Notes in whole, but not in part, at their principal amount, together with all interest accrued (including Arrears of Interest) to the date fixed for redemption from (and including) the First Call Date to (and including) the Reset Date.

Optional Early Redemption following a Gross-Up Event:

If at any time, by reason of a change in any Dutch law or regulation, or any change in the official application or interpretation thereof, becoming effective on or after the Issue Date, the Issuer would, on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay Additional Amounts, the Issuer may, subject to having given prior notice to the Fiscal Agent and the Noteholders, redeem the Notes in whole, but not in part, at any time at their principal amount, together with all interest accrued (including Arrears of Interest) to the date fixed for redemption, provided that the due date for redemption shall be no earlier than the latest practicable Interest Payment Date on which the Issuer could make payment of principal or interest without withholding for Dutch taxes.

Optional Early Redemption in case of Tax Deductibility Event:

If an opinion of a recognised law firm of international standing has been delivered to the Issuer and the Fiscal Agent, stating that by reason of a change in Dutch law or regulation, or any change in the official application or interpretation thereof, becoming effective on or after the Issue Date, payments of interest payable by the Issuer in respect of the Notes would no longer be deductible in whole or in part, and that this cannot be avoided by the Issuer taking reasonable measures available to it at the time, the Issuer may, subject to having given prior notice to the Fiscal Agent and the Noteholders, redeem the Notes in whole, but not in part, at any time at their principal amount together with all interest accrued (including Arrears of Interest) to the date fixed for redemption, provided that redemption will not take place before the latest practicable date on which the Issuer could make such payment with the interest payable being tax deductible in the Netherlands.

Exchange or Variation for Taxation Reasons:

If at any time the Issuer determines that a Tax Event (which is either a Gross-Up Event or a Tax Deductibility Event) has occurred with respect to the Notes on or after the Issue Date and is continuing, the Issuer may, instead of redeeming the Notes in the manner described above, on any Interest Payment Date, without the consent of the Noteholders, (i) exchange all but not

some only of the Notes for new notes (the **Exchanged Notes**), or (ii) vary the terms of all but not some only of the Notes (the **Varied Notes**), so that in either case a Tax Event no longer exists.

Any such exchange or variation is subject to certain specified conditions (including the Prior Approval of the Relevant Supervisory Authority), shall be binding on the Noteholders and shall be notified to them as soon as practicable thereafter.

Optional Early Redemption for Regulatory Reasons:

If at any time, the Issuer determines that a Regulatory Event has occurred with respect to the Notes on or after the Issue Date and is continuing, the Issuer may, subject to having given prior notice to the Fiscal Agent and the Noteholders, redeem the Notes in whole, but not in part, at any time at their principal amount plus any accrued interest (including Arrears of Interest) to the date fixed for redemption.

Regulatory Event means that, on or after the Issue Date, (i) the Issuer and/or the Group is subject to regulatory supervision by the Relevant Supervisory Authority and (ii) as a result of any replacement of or change to the Applicable Regulations (or change to the interpretation thereof by any court, the Relevant Supervisory Authority or any other authority entitled to do so) at any time whilst any of the Notes are outstanding the whole or any part of the proceeds of such Notes can no longer be treated as Tier 2 Own Funds of the Issuer or the Group, whether on a solo, group or consolidated basis (in each case, as applicable), except where such non-qualification is only as a result of any applicable limitation on the amount of such capital.

Exchange or Variation for Regulatory Reasons:

If at any time the Issuer determines that a Regulatory Event has occurred with respect to the Notes on or after the Issue Date and is continuing, the Issuer may, instead of redeeming the Notes in the manner described above, on any Interest Payment Date, without the consent of the Noteholders, (i) exchange all but not some only of the Notes for Exchanged Notes, or (ii) Varied Notes, so that in either case the aggregate principal amount of the Exchanged Notes or Varied Notes (as the case may be) is treated under the Applicable Regulations as at least Tier 2 Own Funds of the Issuer or the Group.

Any such exchange or variation is subject to certain specified conditions (including the Prior Approval of the Relevant Supervisory Authority), shall be binding on the Noteholders and shall be notified to them as soon as practicable thereafter.

Optional Early Redemption for Rating Reasons:

If at any time, the Issuer determines that a Rating Methodology Event has occurred with respect to the Notes, the Issuer may, subject to having given prior notice to the Fiscal Agent and the Noteholders, redeem the Notes in whole, but not in part at any time, at their principal amount plus any accrued interest (including Arrears of Interest) to the date fixed for redemption.

A **Rating Methodology Event** will be deemed to occur upon a change in, or clarification to, the methodology of any Rating Agency (or in the interpretation by the relevant Rating Agency of such methodology) on or after the Issue Date as a result of which the capital recognition (including equity content) previously assigned by such Rating Agency to the Notes for the Issuer or the group consisting of Athora Holding Ltd. and its direct and indirect subsidiaries as a whole is, in the reasonable opinion of the Issuer, materially adversely impacted and/or reduced when compared to the capital recognition (including equity content) assigned by such Rating Agency at or around the Issue Date or from the date on which the capital recognition (including equity content) is first assigned should such Rating Agency only assess the instrument at a later date.

Exchange or Variation for Rating Reasons:

If at any time the Issuer determines that a Rating Methodology Event has occurred with respect to the Notes on or after the Issue Date, the Issuer may, instead of redeeming the Notes in the manner described above, on any Interest Payment Date, without the consent of the Noteholders, (i) exchange all but not some only of the Notes for Exchanged Notes, or (ii) Varied Notes, so that in either case the capital recognition (including equity content) assigned by the Rating Agency to the Exchanged Notes or Varied Notes (as the case may be) is at least the same as the capital recognition (including equity content) assigned to the Notes by such Rating Agency at or around the Issue Date or from the date on which the capital recognition (including equity content) is first assigned should such Rating Agency only assess the instrument at a later date.

Any such exchange or variation is subject to certain specified conditions (including the Prior Approval of the Relevant Supervisory Authority), shall be binding on the Noteholders and shall be notified to them as soon as practicable thereafter.

Optional Make-whole Redemption:

The Issuer may, subject to having given prior notice to the Fiscal Agent and the Noteholders redeem the Notes in whole, but not in part, at any time after the Reset Date at the Make-whole Redemption Amount.

Make-whole Redemption Amount means the sum of:

- (i) the greater of (x) the principal amount of the Notes so redeemed and (y) the sum of the then present values of the remaining scheduled payments of principal and interest on such Notes to the Maturity Date, discounted to the relevant Make-whole Redemption Date on an annual basis at the Make-whole Redemption Reference Rate plus the Make-whole Redemption Margin; and
- (ii) any interest accrued but not paid on the Notes to, but excluding, the Make-whole Redemption Date,

as determined by the Quotation Agent.

Clean-up Redemption:

The Issuer may at any time after the Issue Date subject to having given prior notice to the Fiscal Agent and the Noteholders elect to redeem all, but not some only, of the Notes at their principal amount plus any accrued interest (including Arrears of Interest) to the date fixed for redemption if 80% (eighty per cent) or more of the Notes originally issued (including any further issues pursuant to Condition 12 (*Further Issues*)) have been purchased and cancelled at the time of such election.

Purchase of Notes by the Issuer:

The Issuer or any of its affiliated entities may at any time purchase Notes (provided that all unmatured Coupons appertaining to the Notes are purchased with the Notes) in the open market or otherwise at any price. Notes, together with all relative unmatured Coupons attached to the Notes or surrendered with the Notes, so purchased by the Issuer or any of its affiliated entities may be held, resold or surrendered for cancellation.

Conditions to Redemption and/or Purchase:

The Notes may not be redeemed or purchased on the Maturity Date or pursuant to any of the optional early redemption or purchase provisions referred to above if (i) no Prior Approval of the Relevant Supervisory Authority has been obtained, (ii) a Capital Adequacy Event has occurred and is continuing on the relevant redemption date or purchase date or such redemption or purchase would itself cause a Capital Adequacy Event, (iii) the Issuer is not Solvent prior to the relevant redemption date or purchase date or such redemption or purchase would itself cause the Issuer no longer to be Solvent and/or (iv) an Insolvent Insurer Liquidation has occurred and is continuing on the relevant redemption date or purchase date. The occurrence of any of such conditions in respect of the Issuer shall constitute a **Mandatory Redemption Deferral Event**, provided, however, that the occurrence of condition (ii) above will not constitute a Mandatory Redemption Deferral Event if (A) the Relevant Supervisory Authority has exceptionally waived the deferral of such principal payment, (B) the Notes are exchanged for or converted into Tier 1 Own Funds or Tier 2 Own Funds and (C) the Minimum Capital Requirement will be complied with immediately after the redemption or purchase is made.

In the case of an optional early redemption referred to above or purchase of the Notes by the Issuer referred to below, that is within five years from the Issue Date, (A) such redemption or purchase shall be in exchange for or funded out of the proceeds of a new issuance of capital of at least the same quality as the Notes or (B) if:

- (a) the Solvency Capital Requirement, after the repayment or redemption or purchase, will be exceeded by an appropriate margin taking into account the solvency position of the Issuer including the Issuer's medium-

term capital management plan as provided in the Applicable Regulations; and

either

- (b) a Regulatory Event occurs, and both of the following conditions are met:
 - (i) the Relevant Supervisory Authority considers the negative impact on the classification of the Notes as described in the definition of Regulatory Event to be sufficiently certain;
 - (ii) the Issuer demonstrates to the satisfaction of the Relevant Supervisory Authority that the occurrence of a Regulatory Event was not reasonably foreseeable at the time of issuance of the Notes; or
- (c) a Tax Event occurs which the Issuer demonstrates to the satisfaction of the Relevant Supervisory Authority is material and was not reasonably foreseeable at the time of issuance of the Notes,

in each case, if the Applicable Regulations make a redemption or purchase conditional thereon.

Deferral of Redemption Date:

Noteholders will be notified if redemption of the Notes shall be deferred as a result of the occurrence and continuation of a Mandatory Redemption Deferral Event.

If redemption of the Notes does not occur on the date specified in any notice of redemption by the Issuer, the Issuer shall redeem such Notes at their principal amount together with any Arrears of Interest and any other accrued and unpaid interest, upon the earliest of:

- (i) the date falling ten (10) Business Days after the date the Mandatory Redemption Deferral Event has ceased (unless on such tenth (10th) Business Day a further Mandatory Redemption Deferral Event has occurred and is continuing), subject to Prior Approval of the Relevant Supervisory Authority having been obtained after the Mandatory Redemption Deferral Event has ceased to exist; or
- (ii) the date falling ten (10) Business Days after the Relevant Supervisory Authority has agreed to the repayment or redemption of the Notes; or
- (iii) the date on which the liquidation (as described in Condition 8) of the Issuer occurs.

Enforcement Events:	<p>There will be no events of default in respect of the Notes. However, each Note shall become immediately due and payable at its principal amount, together with accrued interest thereon, if any, to the date of payment and any Arrears of Interest in the case of the liquidation of the Issuer.</p> <p>Liquidation may occur as a result of the winding-up of the Issuer (<i>ontbinding en vereffening</i>), bankruptcy (<i>faillissement</i>) of the Issuer, the suspension of payments (<i>surseance van betaling</i>) being applied to the Issuer or Resolution of the Issuer, in either case, if that constitutes a liquidation.</p>
Meetings of Noteholders:	<p>The Terms and Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.</p>
Listing and Admission to Trading:	<p>Application has been made for the Notes to be admitted to the Official List and to trading on the <i>Global Exchange Market</i> of Euronext Dublin.</p>
Governing Law:	<p>The Notes and any non-contractual obligations arising out of or in connection with them will be governed by, and construed in accordance with, Dutch law.</p>
Form:	<p>The Notes will be issued in bearer form in denominations of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000.</p>
Credit Ratings:	<p>The Notes are expected to be assigned on issue a rating of BB by Fitch. A credit rating is not a recommendation to buy, sell or hold securities and is subject to suspension, reduction or withdrawal at any time by the assigning rating agency. A suspension, reduction or withdrawal of a credit rating assigned to Athora Netherlands may adversely affect the market price of the Notes.</p> <p>Fitch is established in the EU and is registered under the Regulation (EC) No 1060/2009 on credit rating agencies, as amended.</p>
Use of Proceeds:	<p>The net proceeds from the issue of the Notes will be applied by the Athora Netherlands Group to optimise its financing structure. Any remaining proceeds will be applied for general corporate purposes.</p>
ISIN Code:	XS2330501995
Common Code:	233050199

CFI:

ATHORA NETHERLA/EUR NT 20310715 SU

FISN:

DBFXFB

Selling Restrictions:

The Notes have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Notes may be sold in other jurisdictions only in compliance with applicable laws and regulations. See "*Subscription and Sale*" below.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the Conditions of the Notes which (subject to modification) will be endorsed on each Note in definitive form (if issued):

The EUR 300,000,000 Fixed to Fixed Rate Subordinated Notes due 2031 (the **Notes**) of Athora Netherlands N.V. (the **Issuer**) are issued subject to and have the benefit of an agency agreement dated 15 April 2021 (such agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) made between the Issuer and HSBC Bank plc as fiscal agent and paying agent (the **Fiscal Agent**) and as calculation agent (the **Calculation Agent**) and the other initial paying agents named in the Agency Agreement (together with the Fiscal Agent, the **Paying Agents**).

The statements in these terms and conditions (the **Conditions**) include summaries of, and are subject to, the detailed provisions of and definitions in the Agency Agreement. Copies of the Agency Agreement are available for inspection during normal business hours by the holders of the Notes (the **Noteholders**) and the holders of the interest coupons appertaining to the Notes (the **Couponholders** and the **Coupons** respectively) at the specified office of each of the Paying Agents. The Noteholders and the Couponholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. References in these Conditions to the Fiscal Agent and the Paying Agents shall include any successor appointed under the Agency Agreement.

References in these Conditions to **EUR, euro** or € shall mean the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty of Rome establishing the European Communities, as amended.

These Conditions may only be amended if the Issuer has obtained Prior Approval of the Relevant Supervisory Authority (as defined herein) and of the Noteholders and the Couponholders in accordance with the provisions for meetings of Noteholders scheduled to the Agency Agreement.

1. FORM, DENOMINATION AND TITLE

1.1 Form and Denomination

The Notes are in bearer form, serially numbered, in the denomination of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof, up to and including EUR 199,000 each with Coupons attached on issue.

1.2 Title

Title to the Notes and to the Coupons will pass by delivery (*levering*).

1.3 Holder Absolute Owner

The Issuer and any Paying Agent may (to the fullest extent permitted by applicable laws) deem and treat the bearer of any Note or Coupon as the absolute owner for all purposes (whether or not the Note or Coupon shall be overdue and notwithstanding any notice of ownership or writing on the Note or Coupon or any notice of previous loss or theft of the Note or Coupon).

2. STATUS OF THE NOTES

The Notes and the Coupons rank *pari passu* and without any preference among themselves and constitute unsecured and subordinated obligations of the Issuer, ranking (a) junior to the claims of all Senior Creditors, (b) *pari passu* with claims in respect of any Parity Obligations and (c) in priority to claims in respect of any Junior Obligations.

In the event of the insolvency (bankruptcy (*faillissement*), moratorium (*surseance van betaling*)), dissolution (*ontbinding*), liquidation (*vereffening*) or Resolution of the Issuer the payment obligations of the Issuer under the Notes shall rank in right of payment after the claims of all Senior Creditors of the Issuer and payment to Noteholders or Couponholders may only be made and any set-off by Noteholders or Couponholders shall be excluded until all obligations of the Issuer in respect of such Senior Creditors have been satisfied, but, as the case may be, *pari passu* with claims in respect of Parity Obligations and in priority to claims in respect of any Junior Obligations.

Junior Obligations means any present and future security or obligation (including any classes of share capital of the Issuer) which counts on issue as Tier 1 Own Funds of the Issuer and any other securities or obligations of the Issuer that rank or are expressed to rank junior to the Notes or rank equally and rateably with Tier 1 Own Funds of the Issuer, including, but not limited to, the EUR 300,000,000 Perpetual Restricted Tier 1 Notes issued by the Issuer on 19 June 2018 (ISIN: XS1835946564) (whether or not such securities count as Tier 1 Own Funds at the time).

Parity Obligations means any present and future, dated or undated subordinated security or obligation of the Issuer that ranks or is expressed to rank equally and rateably with the Notes, including, but not limited to, the USD 575,000,000 Fixed to Fixed Rate Undated Subordinated Notes issued by the Issuer on 16 November 2017 (ISIN: XS1717202490).

Relevant Resolution Authority means any authority with the ability to exercise Resolution Power. As at the Issue Date, the Relevant Resolution Authority is the Dutch Central Bank (*De Nederlandsche Bank N.V.* or DNB).

Relevant Supervisory Authority means any regulator or other authority from time to time having primary supervisory authority with respect to prudential matters in relation to the Issuer. As at the Issue Date, the Relevant Supervisory Authority is the Dutch Central Bank (*De Nederlandsche Bank N.V.* or DNB).

Resolution means the exercise of Resolution Power by the Relevant Resolution Authority.

Resolution Power means any statutory write-down and/or conversion power existing from time to time under any laws, regulations, rules or requirements relating to the resolution of insurance companies, holding companies of insurance companies and/or financial conglomerates incorporated in the Netherlands in effect and applicable in the Netherlands to the Issuer or other members of the Group, including but not limited to any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of a Dutch resolution regime under the Dutch Intervention Act (*Wet bijzondere maatregelen financiële ondernemingen*) or the Dutch Act on Recovery & Resolution for Insurers (*Wet herstel en afwikkeling van verzekeraars*) and any amendments thereto, or otherwise, pursuant to which obligations of an insurance company, holding company of an insurance company or financial conglomerate or any of its affiliates can be reduced, cancelled and/or converted into shares or other securities or obligations of the obligor or any other person or may be expropriated.

Senior Creditors means present and future creditors of the Issuer (a) who are unsubordinated creditors of the Issuer or (b) whose claims are, or are expressed to be, subordinated (whether only in the event of the winding-up (*faillissement of vereffening na ontbinding*) of the Issuer or otherwise) to the claims of unsubordinated creditors of the Issuer, other than those whose claims are, or are expressed to rank, *pari passu* with, or junior to, the claims of the Noteholders.

Tier 1 Own Funds has the meaning given to such term by the Applicable Regulations from time to time.

3. INTEREST

3.1 General

Subject to Condition 3.8, the Notes shall bear interest on their principal amount from (and including) the Issue Date, to (but excluding) the Reset Date, at a fixed rate of 2.250 per cent. per annum (the **Initial Interest Rate**), payable annually in arrear on 15 July in each year (each an **Interest Payment Date**), commencing on 15 July 2021 until (and including) the Reset Date.

In respect of the period from (and including) the Reset Date to (but excluding) the Maturity Date (the **Reset Period**), subject to Condition 3.8, the Notes shall bear interest on their principal amount at a reset rate per annum as is equal to the sum of the Five-Year Reset Rate plus the Margin, as determined by the Calculation Agent on the Reset Rate Determination Date (the **Reset Rate**), payable annually in arrear on each Interest Payment Date, commencing on 15 July 2027.

In this Condition 3.1 and for the purposes of the Conditions:

5 Year Mid-Swap Rate means:

- (i) the mid-swap rate for euro swaps with a term of five (5) years which appears on the Screen Page, to be determined on or about 11:00 a.m. (Central European time) on the Reset Rate Determination Date; or
- (ii) if such rate does not appear on the Screen Page at such time on the Reset Rate Determination Date, the Reset Reference Bank Rate on the Reset Rate Determination Date.

Business Day means any day (other than a Saturday or a Sunday) which is a TARGET 2 Settlement Day.

First Call Date means 15 April 2026.

Five-Year Reset Rate means the 5 Year Mid-Swap Rate displayed on the Screen Page at or around 11.00 a.m. (Central European Time) on the Reset Rate Determination Date. If the 5 Year Mid-Swap Rate does not appear on that page, the Five-Year Reset Rate shall instead be equal to the arithmetic mean (expressed as a percentage and rounded, if necessary, to the nearest 0.0001 per cent. (0.00005 per cent. being rounded upwards)) of the quotations provided by the principal office of each of four major banks in the euro swap market of the rates at which swaps in euro are offered by it at approximately 11.00 a.m. (Central European Time) on the Reset Rate Determination Date to participants in the euro swap market for a five-year period all as determined by the Calculation Agent. If the Five-Year Reset Rate is still not determined on the Reset Rate Determination Date in accordance with the foregoing procedures, the Five-Year Reset Rate shall be the 5 Year Mid-Swap Rate that appeared on the most recent Screen Page that was last available prior to 11:00 a.m. (Central European Time) on the Reset Rate Determination Date, as determined by the Calculation Agent.

Issue Date means 15 April 2021.

Margin means 2.60 per cent.

Mid-Swap Rate Quotations means the arithmetic mean of the bid and ask rates for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed-for-floating euro interest rate swap transaction which:

- (i) has a term of 5 years commencing on the relevant Reset Date;

- (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market; and
- (iii) has a floating leg based on six-month EURIBOR (calculated on an Actual/360 day count basis). If the six-month EURIBOR rate cannot be obtained because of the occurrence of a Benchmark Event, the six-month EURIBOR rate shall be calculated in accordance with the terms of Condition 3.2.

Rate of Interest means the Initial Interest Rate or the Reset Rate.

Reset Date means 15 July 2026.

Reset Rate Determination Date means the second Business Day prior to the start of the Reset Period.

Reset Reference Bank Rate means the percentage rate determined on the basis of the Mid-Swap Rate Quotations provided by the Reset Reference Banks to the Fiscal Agent at approximately 11:00 a.m. (Central European time) on the Reset Rate Determination Date. If at least three quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations provided. If only one quotation is provided, the Reset Reference Bank Rate will be the quotation provided. If no quotations are provided, the Reset Reference Bank Rate will be -0.349 percent. per annum.

Screen Page means Bloomberg page "EUSA5" or such other page as may replace it on Bloomberg or, as the case may be, on such other information service that may replace Bloomberg, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates comparable to the relevant 5 Year Mid-Swap Rate.

TARGET 2 Settlement Day means any day on which the TARGET 2 System is operating.

TARGET 2 System means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

3.2 Benchmark replacement

- (a) Notwithstanding the provisions above in Condition 3.1, if a Benchmark Event occurs in relation to the 5 Year Mid-Swap Rate as a result of the 5 Year Mid-Swap Rate and/or the six-month EURIBOR rate (the **Mid-Swap Floating Leg Benchmark Rate**) ceasing to be calculated or administered, then the following provisions shall apply:
 - (i) the Issuer shall use reasonable endeavours to appoint an independent financial institution of international repute or an independent financial advisor with appropriate expertise (the **Independent Adviser**) to determine an alternative rate (the **Alternative Benchmark Rate**) and an alternative screen page or source (the **Alternative Screen Page**) no later than three Business Days prior to the Reset Rate Determination Date relating to the next succeeding Reset Period (the **IA Determination Cut-off Date**) for purposes of determining the 5 Year Mid-Swap Rate (subject to the subsequent operation of this Condition 3.2(a));
 - (ii) the Alternative Benchmark Rate shall be such rate as the Independent Adviser determines has replaced the 5 Year Mid-Swap Rate in customary market usage for

purposes of determining a 5-year mid-swap rate denominated in Euro, or, if the Independent Adviser determines that there is no such rate, such other rate as the Independent Adviser determines is most comparable to the 5-year Mid-Swap Rate, and the Alternative Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate;

- (iii) if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine an Alternative Benchmark Rate and Alternative Screen Page prior to the IA Determination Cut-off Date in accordance with Condition 3.2(a)(ii) above, then the Issuer (in consultation with the Fiscal Agent or the Independent Adviser where appointed but unable to determine whether an Alternative Benchmark Rate is available and acting in good faith and a commercially reasonable manner) may determine which (if any) rate has replaced the 5 Year Mid-Swap Rate in customary market usage for purposes of determining a 5-year mid-swap rate denominated in Euro, or, if it determines that there is no such rate, which (if any) rate is most comparable to the 5 Year Mid-Swap Rate, and the Alternative Benchmark Rate shall be the rate so determined by the Issuer and the Alternative Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate; provided, however, that if this Condition 3.2(a)(iii) applies and the Issuer is unable or unwilling to determine an Alternative Benchmark Rate and Alternative Screen Page prior to the Reset Rate Determination Date in accordance with this Condition 3.2(a)(iii), the 5 Year Mid-Swap Rate applicable to the Reset Period shall be equal to the mid-swap rate for euro swaps with a term of 5 years as determined on the pricing date of the Notes, being -0.349 per cent. per annum;
 - (iv) if the Independent Adviser or the Issuer in consultation with the Independent Adviser determines an Alternative Benchmark Rate in accordance with the above provisions, the Independent Adviser or the Issuer in consultation with the Independent Adviser (as the case may be), may also determine any necessary changes to the Alternative Benchmark Rate, the mid-swap floating leg benchmark rate, the day count fraction, the business day convention, the Business Days and/or the Reset Rate Determination Date applicable to the Notes (including any necessary adjustment factor that is necessary to make the 5 Year Mid-Swap Rate comparable to a 5-year mid-swap rate based on the six-month EURIBOR rate), and the method for determining the fallback rate in relation to the Notes, in order to follow market practice in relation to the Alternative Benchmark Rate; and
 - (v) the Issuer shall, promptly following the determination of any Alternative Benchmark Rate and Alternative Screen Page, give notice thereof and of any changes which are deemed to apply to the Notes pursuant to Condition 3.2(a)(iv) above in accordance with Condition 10 (*Notices*) to the holders of the Notes, to the Fiscal Agent and the Calculation Agent and to each listing authority and/or stock exchange (or listing agent as the case may be) by which the Notes have then been admitted to listing and trading.
- (b) If the operation of the above provisions would cause the Notes to cease qualifying as Tier 2 Own Funds by reason of the level of the substitute or successor rate (as confirmed by a certificate signed by two (2) managing directors of the Issuer), the Margin will be adjusted to such extent as is necessary (as confirmed by the same certificate signed by two (2)

managing directors of the Issuer) to ensure continued qualification as Tier 2 Own Funds, provided that the Margin shall never be negative.

Notwithstanding any other provision of this Condition 3.2, no substitute or successor rate will be adopted, nor will any other amendment to the terms of the Notes be made, if and to the extent that, as confirmed by a certificate signed by two (2) managing directors of the Issuer, the same would cause the Notes to cease qualifying as Tier 2 Own Funds of the Issuer or as other equivalent regulatory capital of the Issuer under the Applicable Regulations.

Any certificate referred to above signed by two (2) managing directors of the Issuer shall, in the absence of manifest error, be treated and accepted by the Issuer, the holders of the Notes and all other interested parties as correct and sufficient evidence thereof, shall be binding on all such persons and the Fiscal Agent shall be entitled to rely on such certificate without liability to any person.

In this Condition 3.2 and for the purposes of the Conditions:

Applicable Regulations means, at any time, any legislation, rules or regulations (whether having the force of law or otherwise) applying to the Issuer or the Group from time to time relating to the characteristics, features or criteria of own funds or capital resources and the requirement to retain capital resources in excess of a prescribed capital resources requirement and, for the avoidance of doubt and without limitation to the foregoing, includes any legislation, rules or regulations relating to such matters which are supplementary or extraneous to the obligations imposed by Solvency II.

Benchmark Event means:

- (A) the 5 Year Mid-Swap Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or
- (B) a public statement by the administrator of the 5 Year Mid-Swap Rate and/or Mid-Swap Floating Leg Benchmark Rate that it will, by a specified date within the following six months, cease publishing the 5 Year Mid-Swap Rate and/or Mid-Swap Floating Leg Benchmark Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the 5 Year Mid-Swap Rate and/or Mid-Swap Floating Leg Benchmark Rate); or
- (C) a public statement by the supervisor of the administrator of the 5 Year Mid-Swap Rate and/or Mid-Swap Floating Leg Benchmark Rate that the 5 Year Mid-Swap Rate and/or Mid-Swap Floating Leg Benchmark Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or
- (D) a public statement by the supervisor of the administrator of the 5 Year Mid-Swap Rate and/or Mid-Swap Floating Leg Benchmark Rate that means that the 5 Year Mid-Swap Rate and/or Mid-Swap Floating Leg Benchmark Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences for the Fiscal Agent, the Calculation Agent, the Issuer or any other party, in each case within the following six months; or
- (E) it has become unlawful for the Fiscal Agent, any paying agent, the Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder using the 5 Year Mid-Swap Rate; or
- (F) a public statement by the supervisor or for the administrator of the 5 Year Mid-Swap Rate and/or Mid-Swap Floating Leg Benchmark Rate is made announcing that the 5 Year Mid-Swap Rate and/or Mid-Swap Floating Leg Benchmark Rate is no longer representative; or

- (G) the methodology for the determination of the 5 Year Mid-Swap Rate and/or Mid-Swap Floating Leg Benchmark Rate is materially altered compared to the methodology as used by the administrator of the 5 Year Mid-Swap Rate and/or Mid-Swap Floating Leg Benchmark Rate at the Issue Date.

Solvency II Directive means Directive No 2009/138/EC of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) including, where applicable, the implementing measures by the European Commission thereunder, as the same may be amended from time to time.

Tier 2 Own Funds has the meaning given to such term by the Applicable Regulations from time to time.

3.3 Interest Accrual

The Notes will cease to bear interest from and including the date fixed for redemption unless payment of the principal in respect of the Notes is improperly withheld or refused on such date or unless default is otherwise made in respect of the payment. In such event, the Notes will continue to bear interest at the relevant Rate of Interest as specified in this Condition 3 on their remaining unpaid amount until whichever is the earlier of:

- (i) the date on which all amounts due in respect of such Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Notes has been received by the Fiscal Agent and notice to that effect has been given to the Noteholders in accordance with Condition 10.

3.4 Interest Amount

The amount of interest payable on each Note on each Interest Payment Date (the **Interest Amount**) will be the product of the principal amount of such Note and the relevant Rate of Interest, multiplied by the Day Count Fraction and rounding the resulting figure, if necessary, to the nearest cent (half a cent being rounded upwards).

Accrual Period means the period from and including an Interest Payment Date (or the Issue Date as the case may be) to but excluding the next Interest Payment Date.

Day Count Fraction means (i) in respect of an Interest Amount payable on a scheduled Interest Payment Date, one; and (ii) in respect of an Interest Amount payable other than on a scheduled Interest Payment Date, the number of days in the relevant 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 number of days in the Accrual Period in which the relevant period falls (including the first such day but excluding the last).

3.5 Publication of Reset Rate and Interest Amount

The Calculation Agent shall cause the Reset Rate and the Interest Amount for the Reset Period to be notified to the Issuer, the Fiscal Agent (if different from the Calculation Agent) and each other Paying Agent (if any), to any stock exchange on which the Notes are at the relevant time listed and to the Noteholders as soon as possible after their determination, but in no event later than the commencement of the Reset Period, in the case of notification to such stock exchange of the Reset Rate and the Interest Amount.

3.6 Notifications, etc. to be final

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3 by the Calculation Agent will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Calculation Agent, the Fiscal Agent and all Noteholders and Couponholders and (in the absence of wilful default, bad faith or manifest error) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions under this Condition.

3.7 Calculation Agent

The Agency Agreement provides that the Issuer may at any time terminate the appointment of the Calculation Agent and appoint a substitute Calculation Agent provided that so long as any of the Notes remain outstanding, there shall at all times be a Calculation Agent for the purposes of the Notes having a specified office in a major European city. In the event of the appointed office of any bank being unable or unwilling to continue to act as the Calculation Agent or failing duly to determine the Reset Rate and the Interest Amount for any Accrual Period, the Issuer shall appoint the European office of another leading bank engaged in the euro-zone or London interbank market to act in its place. The Calculation Agent may not resign its duties or be removed without a successor having been appointed. The Calculation Agent shall act as an independent expert and not as agent for the Issuer or the Noteholders.

Notice of any change of Calculation Agent or any change of specified office shall be given as soon as reasonably practicable to the Noteholders in accordance with Condition 10.

3.8 Interest Deferral

(i) *Mandatory Interest Deferral Dates*

On any Mandatory Interest Deferral Date (as defined below), the Issuer will be obliged, by notice to (x) the Noteholders in accordance with Condition 10 and (y) the Fiscal Agent pursuant to sub-paragraph (iv) below, to defer payment of all (but not some only) of the interest accrued to that date, and the Issuer shall not have any obligation to make such payment and any failure to pay shall not constitute a default by the Issuer for any purpose.

(ii) *Arrears of Interest*

Any interest in respect of the Notes not paid on a Mandatory Interest Deferral Date and deferred in accordance with Condition 3.8(i), together with any other interest deferred on any previous Interest Payment Date, shall, so long as the same remains outstanding, constitute **Arrears of Interest**. Arrears of Interest may at the option of the Issuer, subject to the Prior Approval of the Relevant Supervisory Authority, be paid in whole or (in accordance with sub-paragraph (iv) below) in part at any time upon the expiry of not less than 14 days' notice to such effect given by the Issuer to the Fiscal Agent and, in accordance with Condition 10, the Noteholders, but all Arrears of Interest in respect of all Notes for the time being outstanding shall become due in full on whichever is the earliest of:

- (A) the next Interest Payment Date which is not a Mandatory Interest Deferral Date; or
- (B) the date fixed for any redemption or purchase of the Notes in accordance with Condition 4 or Condition 8; or
- (C) the date on which an order is made or a resolution is passed for the liquidation (as described in Condition 8) of the Issuer (other than a solvent winding-up solely for the purpose of a

reconstruction or amalgamation or the substitution in place of the Issuer of a successor in business of the Issuer, the terms of which reconstruction, amalgamation or substitution (i) have previously been approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders and (ii) do not provide that the Notes shall thereby become payable),

provided that, for the avoidance of doubt, on the date on which such Arrears of Interest are to be paid pursuant to (A) or (B) above no Mandatory Interest Deferral Event has occurred and is continuing.

For the avoidance of doubt, Arrears of Interest themselves shall not bear interest.

(iii) *Notice of Deferral*

The Issuer shall give notice not less than five (5) nor more than thirty (30) Business Days' prior to an Interest Payment Date to the Noteholders in accordance with Condition 10 and to the Fiscal Agent if that Interest Payment Date is a Mandatory Interest Deferral Date and specifying that interest will not be paid because (a) a Capital Adequacy Event has occurred and is continuing or would occur or (b) the Issuer is not or would not be Solvent, if payment of interest was made on the next Interest Payment Date, provided that if the Mandatory Interest Deferral Event occurs less than five (5) Business Days prior to an Interest Payment Date, the Issuer shall give notice of such deferral to the Fiscal Agent and, in accordance with Condition 10, the Noteholders as soon as practicable following the occurrence of such event and before such Mandatory Interest Deferral Date. Failure to give notice, however, shall not have any impact on the effectiveness of, or otherwise invalidate, any such deferral of payment of interest or give the Noteholders any rights as a result of such failure.

So long as the Notes are listed on the Global Exchange Market of The Irish Stock Exchange plc trading as Euronext Dublin and the rules of such stock exchange so require, notice of any such deferral shall also be given as soon as reasonably practicable to such stock exchange.

(iv) *Partial Payment of Arrears of Interest*

If amounts in respect of Arrears of Interest are paid in part:

- (A) Arrears of Interest accrued for any period shall not be payable until full payment has been made of all Arrears of Interest that have accrued during any earlier period; and
- (B) the amount of Arrears of Interest payable in respect of any Note in respect of any period, shall be *pro rata* to the total amount of all unpaid Arrears of Interest accrued in respect of that period to the date of payment.

(v) *Definitions*

In this Condition 3.8 and for the purposes of the Conditions:

Assets means the non-consolidated gross assets of the Issuer as shown by the then latest published balance sheet of the Issuer but adjusted for contingencies and for subsequent events and to such extent as the directors, or as the case may be, the administrator, receiver, liquidator (*curator*), examiner or similar official may determine to be appropriate.

Capital Adequacy Event means that (i) the amount of eligible 'own fund-items' (or any equivalent terminology employed by the Applicable Regulations) of the Issuer or the Group to cover the Solvency Capital Requirement or the Minimum Capital Requirement is, or as a result of a payment would become, not sufficient to cover such Solvency Capital Requirement or Minimum Capital Requirement; or (ii) (if required or applicable in order for the Notes to qualify as regulatory capital

of the Issuer on a consolidated basis under the Applicable Regulations from time to time) the Relevant Supervisory Authority has notified the Issuer that it has determined, in view of the financial and/or solvency condition of the Issuer on a consolidated basis, that in accordance with the Applicable Regulations at such time the Issuer must defer payments of principal and/or interest under the Notes.

Group means the Issuer and its direct and indirect subsidiaries.

Insurance Undertaking has the meaning given to such term in article 13 of the Solvency II Directive.

Liabilities means the non-consolidated gross liabilities of the Issuer as shown by the then latest published balance sheet of the Issuer, but adjusted for contingences and for subsequent events and to such extent as the directors, the auditors, or as the case may be, the administrator, receiver, liquidator (*curator*), examiner or similar official may determine to be appropriate.

Mandatory Interest Deferral Date means each Interest Payment Date prior to which a Mandatory Interest Deferral Event has occurred and where such Mandatory Interest Deferral Event is continuing on such Interest Payment Date.

Mandatory Interest Deferral Event means (i) a Capital Adequacy Event has occurred and such Capital Adequacy Event is continuing or (ii) the payment (in whole or in part) of interest would in itself cause a Capital Adequacy Event to occur or the Issuer determines that it is not, or as a result of the payment of such interest (in whole or in part) would not be, Solvent, provided, however, that the occurrence of (i) or (ii) above will not constitute a Mandatory Interest Deferral Event if:

- (i) the Relevant Supervisory Authority has exceptionally waived the deferral of such interest payment and/or payment of Arrears of Interest;
- (ii) paying the interest and/or Arrears of Interest does not further weaken the solvency position of the Issuer as determined in accordance with the Applicable Regulations; and
- (iii) the Minimum Capital Requirement will be complied with immediately after the interest payment and/or payment of Arrears of Interest is made.

Minimum Capital Requirement (i) means the minimum consolidated group Solvency Capital Requirement referred to in the Applicable Regulations or (ii) has any other meaning as may be given thereto under the Applicable Regulations.

Pari Passu Creditors means the creditors in respect of any Parity Obligations.

Prior Approval of the Relevant Supervisory Authority means in respect of any proposed act on the part of the Issuer, the prior written approval or consent of, or notification to the Relevant Supervisory Authority, if such approval, notification or consent is required at the time under any Applicable Regulations or an official application or interpretation thereof.

Reinsurance Undertaking has the meaning given to such term in article 13 of the Solvency II Directive.

Solvency Capital Requirement means the Solvency Capital Requirement of the Group referred to in, or any other capital requirement relating to the Issuer or the Group (other than the Minimum Capital Requirement) howsoever described in the Applicable Regulations.

Solvency II means the Solvency II Directive and any implementing measures adopted pursuant to the Solvency II Directive (for the avoidance of doubt, whether implemented by way of regulation, implementing technical standards or by further directives, guidelines published by the European

Insurance and Occupational Pensions Authority (or any successor entity) or otherwise), as amended from time to time.

Solvency II Delegated Regulation means Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing the Solvency II Directive, as amended from time to time.

Solvent means the Issuer is (i) able to pay its debts to its Senior Creditors and Pari Passu Creditors as they fall due and (ii) its Assets exceed its Liabilities (other than its Liabilities in respect of Junior Obligations).

4. REDEMPTION AND PURCHASE

The Notes may not be redeemed otherwise than in accordance with this Condition.

4.1 Maturity Date

(a) Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Notes at their principal amount, together with all interest accrued (including Arrears of Interest) to the date fixed for redemption, on 15 July 2031 (the **Maturity Date**). The Issuer undertakes that, if in absence of the Prior Approval of the Relevant Supervisory Authority or as a result of Condition 4.12, the Notes may not be redeemed on the Maturity Date, the Issuer will redeem the Notes as soon as practicable after such conditions have ceased to be an impediment to such redemption, and the Issuer will inform the Fiscal Agent and, in accordance with Condition 10, the Noteholders of the date fixed for redemption.

(b) Except as provided under Condition 4.2, 4.3, 4.4, 4.6, 4.8 of 4.10 or if a liquidation (as described in Condition 8) of the Issuer occurs, the Notes may not be redeemed before the Maturity Date.

4.2 Optional Early Redemption as from First Call Date

Subject to Condition 4.12, the Issuer may, subject to having given not more than 45 nor less than 30 days' prior notice to the Fiscal Agent and, in accordance with Condition 10, the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem the Notes in whole, but not in part, at their principal amount, together with all interest accrued (including Arrears of Interest) to the date fixed for redemption from (and including) the First Call Date to (and including) the Reset Date.

4.3 Optional Make-whole Redemption by the Issuer

Subject to Condition 4.12, the Issuer may, subject to having given not more than 45 nor less than 30 days' prior notice to the Fiscal Agent and, in accordance with Condition 10, the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption (the **Make-whole Redemption Date**)), redeem the Notes in whole, but not in part, at any time after the Reset Date at the Make-whole Redemption Amount (the **Make-whole Redemption**).

In this Condition 4.3 and for the purposes of the Conditions:

Calculation Date means the third business day preceding the Make-whole Redemption Date.

Make-whole Redemption Amount means the sum of:

(i) the greater of (x) the principal amount of the Notes so redeemed and (y) the sum of the then present values of the remaining scheduled payments of principal and interest on such Notes

to the Maturity Date, discounted to the relevant Make-whole Redemption Date on an annual basis at the Make-whole Redemption Reference Rate plus the Make-whole Redemption Margin; and

- (ii) any interest accrued but not paid on the Notes to, but excluding, the Make-whole Redemption Date,

as determined by the Quotation Agent and as notified on the Calculation Date by the Quotation Agent to the Issuer and the Fiscal Agent.

Make-whole Redemption Date has the meaning ascribed thereto in Condition 4.3 (Make-whole redemption by the Issuer).

Make-whole Redemption Margin means 0.45 per cent.

Make-whole Redemption Reference Rate means (i) the mid-market yield to maturity of the Reference Note which appears on the Relevant Make-whole Screen Page on the third business day preceding the Make-whole Redemption Date at 11:00 a.m. (CET) or (ii) to the extent that the mid-market yield to maturity does not appear on the Relevant Make-whole Screen Page at such time, the average of the number of quotations given by the Reference Dealers of the mid-market yield to maturity of the Reference Note on the third business day preceding the Make-whole Redemption Date at or around 11:00 a.m. (CET).

Quotation Agent means HSBC Bank plc.

Reference Dealers means each of the four banks (that may include the Barclays Bank Ireland PLC, NatWest Markets N.V. and HSBC Continental Europe) selected by the Quotation Agent which are primary European government security dealers, and their respective successors, or market makers in pricing corporate bond issues.

Reference Note means DBR 0.00% due February 2031 (ISIN: DE0001102531). If the Reference Note is no longer outstanding, a Similar Note will be chosen by the Quotation Agent at 11:00 a.m. (CET) on the Calculation Date, quoted in writing by the Quotation Agent to the Issuer and notified to the Noteholders in accordance with Condition 10.

Relevant Make-whole Screen Page means Bloomberg HP page for the Reference Note (using the settings "Mid YTM" and "Daily" (or any successor or replacement page, section or other part of the information service), or such other page, section or other part as may replace it on the information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying the mid-market yield to maturity for the Reference Note.

Similar Note means (a) reference bond or (b) reference bonds issued by the same issuer as the Reference Note having actual or interpolated maturity comparable with the remaining term of the Notes, in each case that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes from the date fixed for redemption to the Maturity Date.

4.4 **Optional Early Redemption for Taxation Reasons**

- (i) If at any time, by reason of a change in any Dutch law or regulation, or any change in the official application or interpretation thereof, becoming effective on or after the Issue Date, the Issuer would, on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay Additional Amounts as specified in

Condition 6 (a **Gross-Up Event**), the Issuer may, subject to having given not more than 45 nor less than 30 days' prior notice to the Fiscal Agent and, in accordance with Condition 10, the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem the Notes in whole, but not in part, at any time at their principal amount, together with all interest accrued (including Arrears of Interest) to the date fixed for redemption, provided that the due date for redemption shall be no earlier than the latest practicable Interest Payment Date on which the Issuer could make payment of principal or interest without withholding for Dutch taxes.

- (ii) If an opinion of a recognised law firm of international standing has been delivered to the Issuer and the Fiscal Agent, stating that by reason of a change in Dutch law or regulation, or any change in the official application or interpretation thereof, becoming effective on or after the Issue Date, payments of interest payable by the Issuer in respect of the Notes would no longer be deductible in whole or in part (a **Tax Deductibility Event** and, together with a Gross-Up Event, a **Tax Event**), and that this cannot be avoided by the Issuer taking reasonable measures available to it at the time, the Issuer may, subject to having given not more than 45 nor less than 30 days' prior notice to the Fiscal Agent and, in accordance with Condition 10, the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem the Notes in whole, but not in part, at any time at their principal amount together with all interest accrued (including Arrears of Interest) to the date fixed for redemption, provided that redemption will not take place before the latest practicable date on which the Issuer could make such payment with the interest payable being tax deductible in the Netherlands.

4.5 Exchange or Variation for Taxation Reasons

If at any time the Issuer determines that a Tax Event has occurred with respect to the Notes on or after the Issue Date and is continuing, the Issuer may, instead of redeeming the Notes in accordance with Condition 4.4 above, on any Interest Payment Date, without the consent of the Noteholders, (i) exchange all but not some only of the Notes for new notes (the **Exchanged Notes**), or (ii) vary the terms of all but not some only of the Notes (the **Varied Notes**), so that in either case a Tax Event no longer exists. Any such exchange or variation following the occurrence of a Tax Event is subject to the following conditions:

- (i) the Issuer giving not less than 30 nor more than 45 days' notice to the Fiscal Agent and, in accordance with Condition 10, the Noteholders;
- (ii) the Prior Approval of the Relevant Supervisory Authority; and
- (iii) the Exchanged Notes or the Varied Notes qualify as Qualifying Securities;

As used herein, **Qualifying Securities** means securities (other than the Notes):

- (i) having terms (including terms providing for deferral of payment of interest and/or principal) that are not materially less favourable to an investor than the terms of the Notes (as reasonably determined by the Issuer in consultation with an independent investment bank, consulting firm or comparable expert of international standing on the subject and provided that a certification to such effect of the Issuer, represented by at least one member of the executive board (*raad van bestuur*) of the Issuer (the **Executive Board**), shall have been delivered to the Fiscal Agent prior to the issue of the Exchanged Notes or the variation of the Notes to Varied Notes or them otherwise becoming obligations of the Issuer);
- (ii) issued by or otherwise being obligations of the Issuer or another member of the Group (but excluding a Group Insurance Undertaking), with a guarantee by the Issuer, such that investors have the same material rights and claims as under the Notes (as reasonably

determined by the Issuer, and provided that a certification to such effect of the Issuer, represented by at least one member of the Executive Board, shall have been delivered to the Fiscal Agent prior to the issue of the Exchanged Notes or the variation of the Notes to Varied Notes or them otherwise becoming obligations of the Issuer or such other member of the Group);

- (iii) ranking at least equal to the Notes (immediately prior to the exchange or variation), provided that in the insolvency (bankruptcy (*faillissement*), moratorium (*surseance van betaling*)), dissolution (*ontbinding*), liquidation (*vereffening*) or Resolution of the relevant issuer, the payment obligations of such issuer shall rank in right of payment after unsubordinated and unsecured creditors of such issuer, but *pari passu* with all other subordinated obligations of such issuer save for those preferred by mandatory provisions of law and those that rank or are expressed by their terms to rank junior to such securities, and in priority to the claims of shareholders of such issuer, and featuring the same principal amount, interest rate (including applicable margins and step-up), interest payment dates and optional redemption dates as the Notes;
- (iv) containing terms which preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the Notes, including (without limitation) as to the timing of, and amounts payable on, such redemption;
- (v) which qualify as Tier 2 Own Funds of the Issuer or the Group;
- (vi) which do not contain any contractual terms providing for loss absorption through principal write-down or conversion to shares;
- (vii) listed on a stock exchange in the European Economic Area, if the Notes were listed prior to such substitution or variation; and
- (viii) admitted to, and traded in, the same clearing system or clearing systems as the Notes were.

Any such exchange or variation shall be binding on the Noteholders and shall be notified to them in accordance with Condition 10 as soon as practicable thereafter.

In the case of Notes exchanged in accordance with this Condition 4.5, Arrears of Interest accrued on the Notes originally issued will be paid by the relevant issuer pursuant to the conditions of such Exchanged Notes.

4.6 Optional Early Redemption for Regulatory Reasons

If at any time the Issuer determines that a Regulatory Event has occurred with respect to the Notes on or after the Issue Date and is continuing, the Issuer may, subject to having given not more than 45 nor less than 30 days' prior notice to Fiscal Agent and, in accordance with Condition 10, the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem the Notes in whole, but not in part, at any time at their principal amount plus any accrued interest (including Arrears of Interest) to the date fixed for redemption.

For the purpose of this Condition 4.6 and Condition 4.7 below, **Regulatory Event** means that, on or after the Issue Date, (i) the Issuer and/or the Group is subject to regulatory supervision by the Relevant Supervisory Authority and (ii) as a result of any replacement of or change to the Applicable Regulations (or change to the interpretation thereof by any court, the Relevant Supervisory Authority or any other authority entitled to do so) at any time whilst any of the Notes are outstanding the whole or any part of the proceeds of such Notes can no longer be treated as Tier 2 Own Funds of the Issuer or the Group, whether on a solo, group or consolidated basis (in each case, as applicable), except

where such non-qualification is only as a result of any applicable limitation on the amount of such capital.

4.7 Exchange or Variation for Regulatory Reasons

If at any time the Issuer determines that a Regulatory Event has occurred with respect to the Notes on or after the Issue Date and is continuing, the Issuer may, instead of redeeming the Notes in accordance with Condition 4.6 above, on any Interest Payment Date, without the consent of the Noteholders, (i) exchange all but not some only of the Notes for Exchanged Notes, or (ii) vary the terms of all but not some only of the Notes, so that in either case the aggregate principal amount of the Exchanged Notes or Varied Notes (as the case may be) is treated under the Applicable Regulations as at least Tier 2 Own Funds of the Issuer or the Group. Any such exchange or variation is subject to the same conditions as in Condition 4.5 (with references to "Tax Event" read as references to "Regulatory Event") which shall apply *mutatis mutandis*.

In the case of Notes exchanged in accordance with this Condition 4.7, Arrears of Interest accrued on the Notes originally issued will be paid by the relevant issuer pursuant to the conditions of such Exchanged Notes.

4.8 Optional Early Redemption for Rating Reasons

If at any time, the Issuer determines that a Rating Methodology Event has occurred with respect to the Notes, the Issuer may, subject to having given not more than 45 nor less than 30 days' prior notice to the Fiscal Agent and, in accordance with Condition 10, the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem the Notes in whole, but not in part at any time, at their principal amount plus any accrued interest (including Arrears of Interest) to the date fixed for redemption.

For the purpose of this Condition 4.8 and Condition 4.9 below:

Rating Agency means Fitch or any other rating agency of international standing from which the Issuer, its subsidiaries or its affiliates has been assigned a Solicited Rating, as specified from time to time by the Issuer, and, in each case their respective affiliates, subsidiaries or successors.

Rating Methodology Event will be deemed to occur upon a change in, or clarification to, the methodology of any Rating Agency (or in the interpretation by the relevant Rating Agency of such methodology) on or after the Issue Date as a result of which the capital recognition (including equity content) previously assigned by such Rating Agency to the Notes for the Issuer or the group consisting of Athora Holding Ltd. and its direct and indirect subsidiaries as a whole is, in the reasonable opinion of the Issuer, materially adversely impacted and/or reduced when compared to the capital recognition (including equity content) assigned by such Rating Agency at or around the Issue Date or from the date on which the capital recognition (including equity content) is first assigned should such Rating Agency only assess the instrument at a later date.

Solicited Rating means a rating assigned by a rating agency with whom the Issuer, its subsidiaries or its affiliates has a contractual relationship pursuant to which the Notes are assigned a credit rating and recognised as capital in whole or in part (including the assignment of equity credit).

4.9 Exchange or Variation for Rating Reasons

If at any time, the Issuer determines that a Rating Methodology Event has occurred with respect to the Notes, the Issuer may, instead of redeeming the Notes in accordance with Condition 4.8 above, on any Interest Payment Date, without the consent of the Noteholders, (i) exchange all but not some only of the Notes for Exchanged Notes, or (ii) vary the terms of all but not some only of the Notes,

so that in either case the capital recognition (including equity content) assigned by the Rating Agency to the Exchanged Notes or Varied Notes (as the case may be) is at least the same as the capital recognition (including equity content) assigned to the Notes by such Rating Agency at or around the Issue Date or from the date on which the capital recognition (including equity content) is first assigned should such Rating Agency only assess the instrument at a later date. Any such exchange or variation is subject to the same conditions as in Condition 4.5 (with references to "Tax Event" read as references to "Rating Methodology Event") which shall apply *mutatis mutandis*.

In the case of Notes exchanged in accordance with this Condition 4.9, Arrears of Interest accrued on the Notes originally issued will be paid by the Issuer pursuant to the conditions of such Exchanged Notes.

4.10 Clean-up Redemption

The Issuer may at any time after the Issue Date subject to having given not more than 45 nor less than 30 days' prior notice to the Fiscal Agent and, in accordance with Condition 10, the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), elect to redeem all, but not some only, of the Notes at their principal amount plus any accrued interest (including Arrears of Interest) to the date fixed for redemption if 80% (eighty per cent) or more of the Notes originally issued (including any further issues pursuant to Condition 12 (*Further Issues*)) have been purchased and cancelled at the time of such election.

4.11 Purchases

The Issuer or any of its affiliated entities may at any time purchase Notes (provided that all unmatured Coupons appertaining to the Notes are purchased with the Notes) in the open market or otherwise at any price. Notes, together with all relative unmatured Coupons attached to the Notes or surrendered with the Notes, so purchased by the Issuer or any of its affiliated entities may be held, resold or surrendered for cancellation.

4.12 Conditions to Redemption and/or Purchase

The Notes may not be redeemed pursuant to Conditions 4.2, 4.3, 4.4, 4.6, 4.8 and 4.10 or purchased pursuant to Condition 4.11 if (i) no Prior Approval of the Relevant Supervisory Authority has been obtained, (ii) a Capital Adequacy Event has occurred and is continuing on the redemption date or purchase date or such redemption or purchase would itself cause a Capital Adequacy Event, (iii) the Issuer is not Solvent prior to the relevant redemption date or purchase date or such redemption or purchase would itself cause the Issuer no longer to be Solvent and/or (iv) an Insolvent Issuer Liquidation has occurred and is continuing on the relevant redemption date or purchase date. The occurrence of any of such conditions in respect of the Issuer shall constitute a **Mandatory Redemption Deferral Event**, provided, however, that the occurrence of condition (ii) above will not constitute a Mandatory Redemption Deferral Event if:

- (i) the Relevant Supervisory Authority has exceptionally waived the deferral of such principal payment;
- (ii) the Notes are exchanged for or converted into Tier 1 Own Funds or Tier 2 Own Funds; and
- (iii) the Minimum Capital Requirement will be complied with immediately after the redemption or purchase is made.

In the case of a redemption or purchase pursuant to Condition 4.4, 4.6, 4.8, 4.10 or 4.11 that is within five years from the Issue Date, (A) such redemption or purchase shall be in exchange for or funded out of the proceeds of a new issuance of capital of at least the same quality as the Notes or (B) if:

- (a) the Solvency Capital Requirement, after the repayment or redemption or purchase, will be exceeded by an appropriate margin taking into account the solvency position of the Issuer including the Issuer's medium-term capital management plan as provided in the Applicable Regulations; and

either

- (b) a Regulatory Event occurs, and both of the following conditions are met:
 - (i) the Relevant Supervisory Authority considers the negative impact on the classification of the Notes as described in the definition of Regulatory Event to be sufficiently certain;
 - (ii) the Issuer demonstrates to the satisfaction of the Relevant Supervisory Authority that the occurrence of a Regulatory Event was not reasonably foreseeable at the time of issuance of the Notes; or
- (c) a Tax Event occurs which the Issuer demonstrates to the satisfaction of the Relevant Supervisory Authority is material and was not reasonably foreseeable at the time of issuance of the Notes,

in each case, if the Applicable Regulations make a redemption or purchase conditional thereon.

In this Condition 4.12 and for the purposes of the Conditions:

Group Insurance Undertaking means an Insurance Undertaking or a Reinsurance Undertaking of the Group.

Insolvent Insurer Liquidation means a liquidation of any Group Insurance Undertaking that is not a Solvent Insurer Liquidation.

Policyholder Claims means claims of policyholders in a liquidation of a Group Insurance Undertaking to the extent that those claims relate to any debt to which the Group Insurance Undertaking is, or may become, liable to a policyholder pursuant to a contract of insurance.

Solvent Insurer Liquidation means a liquidation of any Group Insurance Undertaking where the Issuer has determined, acting reasonably, that all Policyholder Claims of such Group Insurance Undertaking will be met.

4.13 Deferral of Redemption Date

The Issuer shall notify the Noteholders in accordance with Condition 10 and the Fiscal Agent no later than five (5) Business Days prior to any date set for redemption of the Notes under Condition 4.2, 4.3, 4.4, 4.6, 4.8 or 4.10 if such redemption is to be deferred as a result of the occurrence and continuation of a Mandatory Redemption Deferral Event. If a Mandatory Redemption Deferral Event occurs less than five (5) Business Days prior to the date set for redemption, the Issuer shall give notice of such deferral to the Fiscal Agent and, in accordance with Condition 10, the Noteholders as soon as reasonably practicable following the occurrence of such event. Failure to give notice, however, shall not have any impact on the effectiveness of, or otherwise invalidate, any such deferral of payment of principal or give the Noteholders any rights as a result of such failure.

If redemption of the Notes does not occur on the date specified in the notice of redemption by the Issuer under Condition 4.2, 4.3, 4.4, 4.6, 4.8 or 4.10 as contemplated by this Condition 4.13, the

Issuer shall redeem such Notes at their principal amount together with any Arrears of Interest and any other accrued and unpaid interest, upon the earliest of:

- (i) the date falling ten (10) Business Days after the date the Mandatory Redemption Deferral Event has ceased (unless on such tenth (10th) Business Day a further Mandatory Redemption Deferral Event has occurred and is continuing, in which case the provisions of this Condition 4.13 will apply *mutatis mutandis* to determine the due date for redemption of the Notes), subject to Prior Approval of the Relevant Supervisory Authority having been obtained after the Mandatory Redemption Deferral Event has ceased to exist; or
- (ii) the date falling ten (10) Business Days after the Relevant Supervisory Authority has agreed to the repayment or redemption of the Notes; or
- (iii) the date on which the liquidation (as described in Condition 8) of the Issuer occurs.

5. PAYMENTS

5.1 Method of Payment

Payments of principal in respect of the Notes will be made against presentation and surrender (or, in the case of partial payment only, endorsement) of the Note and payments of interest due on an Interest Payment Date will be made against presentation and surrender (or, in the case of partial payment only, endorsement) of the relevant Coupon, in each case at the specified office of any of the Paying Agents.

Payments will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by euro cheque.

None of the Issuer, the Fiscal Agent, the Calculation Agent or the Paying Agents shall be liable to any Noteholder or other person for any commission, costs, losses or expenses in relation to, or resulting from, the credit or transfer of euro, or any currency conversion or rounding effect in connection with such payment being made in euro.

Each Note should be surrendered for redemption together with all matured Coupons relating to it, failing which the amount of any such missing matured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing matured Coupon which the sum of principal so paid bears to the total principal amount due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon not later than five (5) years after the Relevant Date (as defined in Condition 6) for the relevant payment of principal. 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. Where any Note is presented for redemption without all unmatured Coupons relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

Payments in respect of principal and interest on the Notes will, in all cases, be made subject to (i) any fiscal or other laws and regulations or orders of courts of competent jurisdiction applicable in respect of such payments to the Issuer or the relevant Paying Agent, but without prejudice to the provisions of Condition 6; and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto (a **FATCA Withholding Tax**), and the Issuer will not be required to pay Additional Amounts on account of any FATCA Withholding Tax.

The Issuer's obligation to pay principal and interest on the Notes is discharged once it has paid the Paying Agent, and the Issuer has therefore no responsibility for any withholding or deduction on payments made thereafter through or by the Paying Agent and custodians or intermediaries.

5.2 Payments on Business Days

If any due date for payment of principal, interest or other amounts in respect of any Note is not a Business Day, then the holder of such Note shall not be entitled to payment of the amount due until the next following Business Day and will not be entitled to any interest or other sums with respect to such postponed payment.

5.3 Fiscal Agent, Paying Agents and Calculation Agent

The names of the initial agents and their specified offices are set out below:

Fiscal Agent, Paying Agent and Calculation Agent

HSBC Bank plc

8 Canada Square
London
E14 5HQ
United Kingdom

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent or a Paying Agent and/or appoint additional or other Paying Agents or approve any change in the office through which any such Paying Agent acts. Notice of any such change or any change of specified office shall promptly be given as soon as reasonably practicable to the Noteholders in accordance with Condition 10.

Any termination or appointment shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not more than 45 nor less than 30 calendar days' notice thereof shall have been given to the Noteholders by the Issuer in accordance with Condition 10.

6. TAXATION

All payments in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**) imposed, levied, collected, withheld or assessed by or on behalf of the Netherlands or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law.

If applicable law should require that payments of principal or interest made by the Issuer in respect of any Note be subject to deduction or withholding in respect of any Taxes whatsoever levied by the Netherlands, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts (**Additional Amounts**) as shall result in receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable with respect to any Note or, as the case may be, Coupons:

- (i) **Other connection:** to, or to a third party on behalf of, a Noteholder or Couponholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with the Netherlands other than the mere holding of the Note or Coupon; or

- (ii) **Presentation more than thirty (30) days after the Relevant Date:** presented for payment more than thirty (30) days after the Relevant Date except to the extent that the Noteholder or Couponholder would have been entitled to such Additional Amounts on presenting it for payment on the last day of such period of thirty days; or
- (iii) **Payment by another Paying Agent:** presented for payment by or on behalf of a Noteholder or Couponholder who would be 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
- (iv) where a withholding or deduction is required to be made pursuant to the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*).

As used in these Conditions, **Relevant Date** in respect of any Note or Coupon means the date on which payment in respect of it first becomes due and payable or (if any amount of the money payable is improperly withheld or refused) the date on which the full amount of monies payable on such date in respect of such Note is paid to the Fiscal Agent.

Any reference in these Conditions to principal and/or interest shall be deemed to include any Additional Amounts.

If the Issuer becomes subject at any time to any taxing jurisdiction other than the Netherlands, references in this Condition 6 to the Netherlands shall be construed as references to the Netherlands and/or such other jurisdiction.

7. PRESCRIPTION

Claims against the Issuer for the payment of principal and interest in respect of the Notes and Coupons shall become prescribed five (5) years from the due date for payment thereof.

8. ENFORCEMENT EVENTS

There will be no events of default in respect of the Notes. However, each Note shall become immediately due and payable at its principal amount, together with accrued interest thereon, if any, to the date of payment and any Arrears of Interest in the case of the liquidation of the Issuer. Liquidation may occur as a result of the winding-up of the Issuer (*ontbinding en vereffening*), bankruptcy (*faillissement*) of the Issuer, the suspension of payments (*surseance van betaling*) being applied to the Issuer or Resolution of the Issuer, in either case, if that constitutes a liquidation.

9. MEETINGS OF NOTEHOLDERS AND MODIFICATION

(a) Meetings of Noteholders

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the modification by Extraordinary Resolution (as defined in the Agency Agreement) of any of these Conditions or any of the provisions of the Agency Agreement. The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing more than 50 per cent. in principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons present whatever the principal amount of the Notes held or represented by him or them, except that at any meeting the business of which includes, among other things, the modification of certain of these Conditions the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third, of the principal amount of the Notes for the time being outstanding. An Extraordinary Resolution

passed at any meeting of the Noteholders will be binding on all Noteholders, whether or not they are present at the meeting, and on all Couponholders.

(b) *Modification*

The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of, or any failure to comply with, the Agency Agreement if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.

The Agency Agreement or these Conditions may be amended by the Issuer and the Fiscal Agent, without the consent of any Paying Agent, Calculation Agent or Noteholder, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein and which does not adversely affect the interests of the Noteholders.

10. NOTICES

(a) Notices to Noteholders will be valid if published in the English language in a leading newspaper having general circulation in the Netherlands (which is expected to be *Het Financieele Dagblad*). So long as the Notes are listed on the Global Exchange Market of The Irish Stock Exchange plc trading as Euronext Dublin and the rules of such stock market so require, notices shall also be published through a press release which will also be made available on the website of the Issuer (www.athora.nl) or the Global Exchange Market of The Irish Stock Exchange plc trading as Euronext Dublin's website, www.isedirect.ie.

(b) If 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 date of the first publication. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with this Condition.

11. REPLACEMENT OF NOTES OR COUPONS

Should a Note or Coupon be lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable law, at the specified office of the Fiscal Agent on payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity and otherwise as the Issuer and/or the Fiscal Agent may reasonably require. All costs arising in connection therewith may be charged to the claimant. The mutilated or defaced Note or Coupon must be surrendered before replacements will be issued.

12. FURTHER ISSUES

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes, having terms and conditions the same as those of the Notes, or the same except for the amount of the first payment of interest, which may be consolidated and form a single series with the outstanding Notes.

13. GOVERNING LAW AND JURISDICTION

The Agency Agreement, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Notes and the Coupons are governed by the laws of the Netherlands.

The Courts of the Netherlands are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Agency Agreement, the Notes and the Coupons, and accordingly any legal action or proceedings arising out of or in connection with the Agency Agreement, the Notes and the Coupons may be brought in such courts.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE REPRESENTED BY THE GLOBAL NOTES

The Agency Agreement, the Temporary Global Note and the Permanent Global Note contain provisions which apply to the Notes while they are in global form, some of which modify the effect of the Terms and Conditions set out in this Offering Memorandum. The following is a summary of certain of those provisions:

1. Exchange

On or after the day following the expiry of 40 days after the date of issue of the Temporary Global Note, Athora Netherlands shall procure the delivery of the Permanent Global Note in substantially the form set out in the Agency Agreement. The Permanent Global Note will become exchangeable, in whole but not in part only and at the request of the bearer of the Permanent Global Note, for definitive Notes in substantially the form set out in the Agency Agreement if either of the following events occurs:

- (a) Closure of clearing systems: Euroclear or Clearstream, Luxembourg 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 does in fact do so and no alternative clearing system is available;
- (b) an enforcement event (as set out in condition 8 of the Terms and Conditions) has occurred and is continuing; or
- (c) Payment of additional amounts: Athora Netherlands has or will become obliged to pay additional amounts as provided for or referred to in Condition 6 (*Taxation*) which would not be required were the Notes represented in definitive form.

Whenever the Permanent Global Note is to be exchanged for definitive Notes, Athora Netherlands shall procure the prompt delivery (free of charge to the bearer) of such definitive Notes, duly authenticated and with Coupons and Talons attached, in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

2. Payments

The bearer of the Temporary Global Note will not be entitled to receive any payment of interest due on or after the exchange date thereof unless, upon due certification, exchange of the Temporary Global Note is improperly withheld or refused. Payments due in respect of Notes for the time being represented by the Permanent Global Note shall be made to the bearer of this Permanent Global Note and each payment so made will discharge Athora Netherlands' obligations in respect thereof.

Upon any payment in respect of the Notes represented by this Permanent Global Note, Athora Netherlands shall procure that the amount so paid shall be entered pro rata in the records of the relevant clearing systems. In the case of any payment of principal, Athora Netherlands shall procure that the amount so paid shall be entered pro rata in the records of the relevant clearing systems and, upon any such entry being made, the principal amount of the Notes recorded in the records of the relevant clearing systems and represented by the Permanent Global Note shall be reduced by the amount so paid. Any failure to make such entries shall not affect the discharge referred to in the previous paragraph.

Athora Netherlands' obligation to pay principal and interest on the Notes is discharged once it has paid the Paying Agent and/or Euroclear and Clearstream, Luxembourg (as bearers of the Notes), and Athora Netherlands has therefore no responsibility for any withholding or deduction on payments made

thereafter through or by the Paying Agent, Euroclear and Clearstream (Luxembourg), custodians or intermediaries.

3. Notices

Notwithstanding Condition 10 (*Notices*), while all the Notes are represented by a Global Note and such Global Note is deposited with a common safekeeper on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and Clearstream, Luxembourg and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 10 (*Notices*) on the date of delivery to Euroclear and Clearstream, Luxembourg.

4. Meetings

The holder of a Global Note shall (unless such Global Note represents only one Note) be treated as two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, as having one vote in respect of each EUR 1,000 in principal amount of Notes.

5. Cancellation

Cancellation of any Note represented by a Global Note and required by the Terms and Conditions to be cancelled following its redemption or purchase will be effected by instruction to Euroclear and Clearstream, Luxembourg to make appropriate entries in their records in respect of all Notes which are cancelled.

6. Electronic Consent and Written Resolution

While any Global Note is held on behalf of a relevant Clearing System, then:

- (a) approval of a resolution proposed by Athora Netherlands 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 90% in nominal amount of the Notes outstanding (an **Electronic Consent** as defined in the Agency Agreement) shall, 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), take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders and holders of Coupons whether or not they participated in such Electronic Consent; and
- (b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Agency Agreement) has been validly passed, Athora Netherlands shall be entitled to rely on consent or instructions given in writing directly to Athora Netherlands by accountholders in the clearing system with entitlements to such Global Note or, where the accountholders hold any such entitlement on behalf of another person, on written consent from or written 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, Athora Netherlands obtained commercially reasonable evidence to ascertain the validity of such holding and has 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 all 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 Euroclear, Clearstream, Luxembourg or any other relevant 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 the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the account holder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. Athora Netherlands 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.

USE OF PROCEEDS

The net proceeds from the issue of the Notes will be applied by the Athora Netherlands to optimise its financing structure. Any remaining proceeds will be applied for general corporate purposes.

INFORMATION ABOUT ATHORA NETHERLANDS AND BUSINESS OVERVIEW

General

Athora Netherlands N.V. (**Athora Netherlands**) is a public limited liability company (*naamloze vennootschap*) established under the laws of the Netherlands and incorporated on 28 December 1990 as Reaal Verzekeringen N.V. Athora Netherlands is formerly known as VIVAT N.V. (**VIVAT**) and REAAL N.V. Athora Netherlands is registered at the Trade Register of the Chamber of Commerce (*handelsregister van de Kamer van Koophandel*) under number 30099450 with Athora Netherlands N.V., REAAL, REAAL Verzekeringen, REAAL Volmacht College, REAAL College, VIVAT, VIVAT Verzekeringen, Reaal, Reaal College, Reaal Verzekeringen, Reaal Volmacht College and Athora as its commercial names (*handelsnamen*). Its registered office is at Burgemeester Rijnderslaan 7, 1185 MD Amstelveen, the Netherlands.

The articles of association of Athora Netherlands were last amended by notarial deed executed on 10 December 2020. According to article 2 of Athora Netherlands' articles of association, the objects of Athora Netherlands are (a) to participate in, to co-operate with, to conduct management of and to render advice and other services to legal entities and/or other enterprises, including and in particular legal entities and/or other business enterprises that are active in the sphere of insurance, (b) to invest equity in registered property, securities and other assets, (c) to provide security for the debts of legal entities and other companies or persons including dependent companies, and (d) all activities connected to or which may be conducive to any of the foregoing.

As of 31 December 2020, the authorised share capital of Athora Netherlands amounts to EUR 1,192,500 which is divided in 2,385 ordinary shares with a nominal value of EUR 500 each. 477 shares (20%) are issued and outstanding. As of 2 April 2020, the sole shareholder of Athora Netherlands is Athora Netherlands Holding Ltd., which owns all issued and outstanding shares (477 fully paid up shares). Athora Netherlands and its subsidiaries operate as a standalone Dutch insurance group within the wider Athora group of companies (**Athora Group**), with Athora Netherlands Holding Ltd. as its sole shareholder.

For more information on the Athora Group please see www.athora.com.

History

For the sake of consistency, in this Offering Memorandum, the term "Athora Netherlands N.V." is used also when referring to the period before the name-change of VIVAT N.V. into Athora Netherlands N.V. on 10 December 2020 and consequently, in such instances, this term should be read as referring to "VIVAT N.V.". SNS REAAL N.V. was renamed to SRH N.V. on 30 September 2015. For the sake of consistency, in this Offering Memorandum, reference will be made to SRH N.V. when referring both to the period before the name change and after the name change. SNS Bank N.V. was renamed to de Volksbank N.V. (**Volksbank**) on 1 January 2017. For the sake of consistency, in this history description, reference will be made to Volksbank when referring both to the period before the name change and after the name change.

History

Athora Netherlands' history dates back to the beginning of the 20th century when two insurance companies, Concordia and De Centrale, were founded. These two companies were closely related to two trade unions and merged in 1990 after the merger of these trade unions and formed the REAAL group together with several small banks. During the 1990s, the REAAL group, which was partially owned by the trade union, grew significantly through acquisitions of Proteq and the Alkmaar based insurance company Hooge Huys.

In 1997, the saving banking group SNS merged with REAAL into SRH N.V. (formerly known as SNS REAAL N.V.). The company was listed on the stock exchange in 2006. SRH N.V. grew significantly through major acquisitions in 2006 and 2007 as it acquired property finance activities, Regiobank within the banking arm

and the Dutch insurance activities of AXA (which itself was a product of various acquisitions) and Swiss Life (Zwitserleven) into the insurance arm of SRH N.V. The legal structure of all insurance entities was simplified such that all life activities except for the activities within Proteq Levensverzekeringen N.V. were merged into the legal entity SRLEV N.V., and all non-life insurance activities were merged into Reaal Schadeverzekeringen N.V., reducing the number of regulated insurance entities at that time to three.

From 2009 onwards, rising losses at SNS Property Finance B.V. put increasing pressure on Volksbank's results and solvency. This ultimately led to the nationalisation of SRH N.V. and its subsidiaries on 1 February 2013.

The insurance activities were separated from the holding company SRH N.V. and transferred on 26 July 2015 under the name VIVAT to Anbang Group Holdings Co. Limited (**Anbang**), a Hong Kong-incorporated company and subsidiary of a Chinese insurance group. Reaal Schadeverzekeringen N.V. was renamed VIVAT Schadeverzekeringen N.V. in 2018.

Sale to Athora

In 2018, VIVAT was informed by its shareholder Anbang that it had commenced a strategic review regarding its shareholding in VIVAT. On 7 June 2019, Anbang reached an agreement with Athora Group on the sale of all shares in VIVAT, after which the shares of VIVAT Schadeverzekeringen N.V. would be transferred to NN Group. On 19 March 2020, both the acquisition and the transfer of the shares in VIVAT were approved by De Nederlandsche Bank N.V. (**DNB**). On 1 April 2020, Athora completed its acquisition of VIVAT N.V. by acquiring 100% of the shares from previous shareholder Anbang. Subsequently, Athora sold 100% of the shares of VIVAT Schadeverzekeringen N.V. to NN Group. On 10 December 2020, VIVAT N.V. was renamed Athora Netherlands N.V.

Shareholder

Athora Netherlands is a wholly owned subsidiary of Athora Netherlands Holding Limited, which has its registered office in Dublin, Ireland. Athora Netherlands Holding Limited is a wholly owned subsidiary of the ultimate parent of the Athora Group, Athora Holding Ltd., which is domiciled in Bermuda.

The Athora Group is an insurance and reinsurance group fully focused on the European market. The Athora Group's strategy is to be the leading provider of guaranteed life insurance solutions in Europe, through a multi-channel growth strategy, proactive risk and capital management, leading investment capabilities, and efficient and scalable operations.

The Athora Group's **primary insurance** operations are based in the Netherlands, Belgium and Germany. In the Netherlands and Belgium, we provide a range of life and pensions products to individual and corporate customers to meet their differing needs. In Germany we focus on efficiently managing the existing book of policies as we are closed to new business.

The Athora Group's **reinsurance** subsidiaries are Athora Life Re (based in Bermuda) and Athora Ireland. We offer third party reinsurance solutions to other insurers within Europe. We also offer internal reinsurance solutions to Athora's operating subsidiaries for efficient risk management.

Since deconsolidation from Athene Holding Ltd. and its group of companies in January 2018, the Athora Group has grown to EUR 83 billion of assets under administration, approximately 2.6 million customers and circa 2,300 employees. As of 31 December 2020, the Athora Group's IFRS total equity was EUR 4.3 billion, its IFRS profit before taxes was EUR 700 million and its estimated group economic capital cover ratio was 242%.

Athora Holding Ltd. is privately owned by a diverse group of global investors that have taken a long-term approach to their investment in Athora and have committed €4 billion of equity capital. EUR 500 million in equity capital commitments remains undrawn and available to the Athora Group. In February 2021, Athora Holding Ltd. entered into a new €500 million unsecured revolving credit facility with a group of credit institutions. Athora Holding Ltd. has borrowings of EUR 500 million raised in March 2020 under a senior bank term loan, which was used to part fund the acquisition of Athora Netherlands N.V. and which matures in April 2025.

The Athora Group is targeting a Single A range credit rating in the medium term, and currently has an A- (Financial Strength) rating from AM Best, and BBB+ (Insurance Financial Strength) ratings from Fitch. As of 31 December 2020, the Athora Group had financial leverage of 26%. The Athora Group has a medium-term financial leverage target of 25%, consistent with its ‘A’ range medium term credit rating target.

In 2020, the Athora Group became subject to group supervision by the Bermuda Monetary Authority, operating under a capital regime fully equivalent to Solvency II.

Organisational Structure

The chart below provides an overview of the main structure and material entities within Athora Netherlands. This overview does not aim to provide a complete overview of Athora Netherlands.

Athora Netherlands is organised into business lines. Please refer to “Information about Athora Netherlands and Business Overview – Business” for further information on the business lines, products and brands of Athora Netherlands.

ATHORA NETHERLANDS HOLDING Ltd.



Business

Overview

Athora Netherlands NV is the holding company of two insurance companies with strong positions in the Dutch Life market. Through its main brand Zwitserleven, Athora Netherlands provides pension and life insurance products. Under the brand Reaal, Athora Netherlands sells and provides services for life insurance products. Athora Netherlands also offers asset management services via its asset manager: ACTIAM N.V. (**ACTIAM**).

Athora Netherlands is a public limited liability company with a two-tier board structure consisting of an Executive Board (EB) and a Supervisory Board (SB).

As a holding company, Athora Netherlands N.V. has no material, direct business operations, but employs all personnel and services the business with staff and IT support. The principal assets of Athora Netherlands N.V. are the equity interests it holds in its operating subsidiaries. Athora Netherlands N.V. is organised into three business lines: a Pension Business, a Life Service Business and an Asset Management Business.

Recent Developments

New shareholder and sale of Non-Life business

On 2 April 2020, Athora Group completed its acquisition of VIVAT N.V. (now Athora Netherlands N.V.) by acquiring 100% of the shares from its previous shareholder, Anbang. Subsequently, Athora Group sold 100% of the shares of the Non-life business to NN Group, for a purchase price of EUR 416 million.

This resulted in a number of major changes for the business:

1. Formation of a new Executive Board and Supervisory Board (see section ‘Corporate Governance’ for details)
2. Migration of the Non-life business to NN Group (including people, processes, data and systems)
3. Rebranding from VIVAT N.V. to Athora Netherlands N.V.

Comprehensive Strategy & Operating Model Review

Following the acquisition by the new shareholder and the agreed sale of the Non-life business to NN Group, the new Executive Board set out to develop a new strategy for Athora Netherlands. A comprehensive review of the strategy and operational model was conducted to ensure long-term value creation and to redesign our operating model to ensure it is fit for purpose. The review resulted in a new corporate strategy (which is detailed in the section ‘Strategic Objectives’).

Covid-19

Athora Netherlands’ main concern throughout the pandemic has been to support and ensure the best care for customers, employees and other stakeholders. As a result of Athora Netherlands’ digitisation efforts in previous years and relatively high prevalence of working from home, the company experienced limited operational issues during the Covid-19 lockdown. This enabled Athora Netherlands to meet its customer service levels and all processes performed well. Athora Netherlands has helped customers with financial problems where it could, although very limited requests for payment deferrals were received. The impact of Covid-19 on the results was limited. Athora Netherlands will continue to closely monitor the development of the coronavirus outbreak and the impact on its financial and operating conditions.

Business Lines

Athora Netherlands is organised in three business lines: Pension Business, Life Service Business and Asset Management.

Pension Business

The new Pension Business serves three segments of clients: 1) Employers – with a pension savings offering (defined benefit, defined contribution and PPI products), 2) Employees – through competitive retirement solutions (direct and individual annuities) and 3) Pension funds – by supporting pension buy-outs.

Life Service Business

The Life Service Business manages the inactive Individual Life product portfolio of the Reaal brand. Over time, the scope of the Life Service Business may be expanded with Zwitserven branded non-selling products, in-active Zwitserven clients and potential future pension buy-outs.

Asset Management

The business line Asset Management offers a comprehensive range of investment funds and investment solutions that varies from responsible index investing to impact investing. The brand of the asset management product range is ACTIAM.

Strategic Objectives

General

The new strategy maximises Athora Netherlands' full potential by combining Athora Netherlands' current strengths and Athora Group's resources and capabilities. The refined operating model including the new proposed organisational structure to execute the strategy is less complex and more efficient. Athora Netherlands' core assets, complemented by the (international) experience, capital backing and access to top-tier investment capabilities from Athora Group, form the foundation of the new strategy:

- A strong competitive position with leading brands, distribution and underwriting capabilities
- A mature organisation, an experienced workforce and sound operations at scale

The strategy review result is that Athora Netherlands operates three business lines as a fully focused pension provider (Pension Business), supported by a dedicated service organisation (Life Service Business), combined with strong investment capabilities (Asset Management). This focus makes Athora Netherlands unique in the market and allows it to state with confidence that the ambition is to become the #1 pension provider in the Netherlands, offering the best value for money, where value is not only a financial, but also a social return.

The Executive Board of Athora Netherlands operates a dashboard of key indicators to assess the current portfolio of activities and future opportunities, within a set risk appetite and ranges for Solvency II ratio level and stability:

Customer Engagement

- Customer satisfaction
- Zwitserven brand awareness
- Sustainability

Capital Generation

- Profitable and sustainable growth
- Operational cost management
- Asset spread in our investment portfolio

Leadership

- Employee engagement
- Strategic alignment
- Attractiveness as employer

Athora Netherlands executes on this strategy through:

1. Simple yet complete and coherent portfolio of customer solutions
2. Effective and efficient operating model and organisational structure
3. Strong investment capabilities
4. Strong sustainability capabilities and governance

Simple yet complete and coherent portfolio of customer solutions

Athora Netherlands has assessed its product portfolio through three lenses: market dynamics, financial potential and portfolio fit. Based on this assessment it was decided to exit products where Athora Netherlands does not have an intrinsic competitive advantage. Going forward, the focus will be on pension solutions for employers, employees and pension funds.

All products will be sold under the strong Zwitserven brand. The Reaal brand will not disappear, but will continue to be used for (existing) customers through the new Life Service Business.

With a focused product portfolio and refined distribution model, Athora Netherlands will be well positioned to serve all clients in a good manner, and realise growth in the chosen target market segments, in order to achieve healthy levels of capital generation.

Effective and efficient operating model and organisational structure

The focused strategy requires and enables a simpler operating model and organisational structure, with a single Pension Business, a dedicated Life Service Business and fewer (and smaller) support functions. In addition, Athora Netherlands aims to initiate or accelerate automation and digitalisation initiatives and outsource a number of (non-strategic) activities.

Finally, going forward Athora Netherlands will make use of the best practices within Athora Group and create synergies by integrating certain functions. Together, this enables us to significantly reduce costs as well as to increase effectiveness and commercial strength.

Strong investment capabilities

Athora Netherlands has strong investment capabilities through its investment manager ACTIAM, and it will continue to build and strengthen its in-house investment capabilities.

Currently, the management of the own account assets lies partly with ACTIAM and partly in-house with Athora Netherlands. It is contemplated that, in 2021, the management of the own account assets will transfer to Athora Netherlands, which will enable an effective execution of the new Strategic Asset Allocation (in other words, our investment strategy).

This will allow ACTIAM to continue to build on its ESG track record and focus on the funds for Athora Netherlands' unit-linked propositions, as well as its third-party funds and mandates.

Strong sustainability capabilities and governance

An important part of the strategy is to further build on the widely recognised socially responsible investing (SRI) credentials, and continue to embed sustainable insurance (SI) and corporate social responsibility (CSR) practices in the organisation.

It is evident that sustainability can be a strong asset and value contributor for all of our stakeholders: customers, employees, regulators, shareholders and business partners.

Athora Netherlands will continue to deliver on its promises and comply with new regulatory requirements and industry adopted best practices for SRI, SI and CSR more generally.

Strategic Objectives Business Lines

Pension Business

The new Pension Business serves three segments of clients:

1. Employers – with a pension savings offering (defined benefit, defined contribution and PPI products)
2. Employees – through competitive retirement solutions (direct and individual annuities)
3. Pension funds – by supporting pension buy-outs

To execute the new strategy, the Pension Business has established a programme of initiatives to support the goals of capital generation and customer engagement. These initiatives fall into one of the following categories:

- Customer Excellence: Tailored approach to servicing clients, including personalised communication with insightful information
- Accumulation (pension savings): New quotation platform and improved pension savings product offering and features, supported by efficient internal processes
- Decumulation (retirement solutions): Enhanced product offering with the addition of variable annuity for increased customer flexibility
- Digitisation: Uplifted portals for employers, employees and advisers with improved user experience (design, layout, speed), product range (available through portal) and product information and explanations
- Business Intelligence: Set-up of dedicated Business Intelligence department to deliver enhanced analytics and pricing (including accuracy and response time), as well as marketing intelligence
- Pension buy-outs: Set up of dedicated buy-out team to deliver our buy-out offering

The Pension Business delivers value to its stakeholders in a cost efficient and sustainable way through:

- Retention of existing business – renewal of defined benefit, defined contribution and PPI contracts as well as roll-over of pension savings into annuity products
- Organic and inorganic new business – new defined benefit, defined contribution and PPI contracts, transfer of external capital for purchase of our annuity products, and pension buy-out transactions

As one of a few providers, the pension business continues to renew and offer new defined benefit contracts as long as there is client demand and the upcoming pension legislative framework allows it. Over time, a transition is anticipated of both defined benefit schemes and traditional defined contribution schemes to PPI schemes.

Life Service Business

The Life Service Business manages the inactive Individual Life product portfolio of the Reaal brand. This business line will retain economies of scale as the Individual Life product portfolio gradually runs off. The objective of the Life Service Business is to become a service organisation performing at EU cost benchmark levels with a flexible change organisation that can meet ever-changing customer needs.

To achieve and maintain a sustainable competitive position in a shrinking market, the Life Service Business has defined a long-term transformation journey towards an efficient target operating model appropriate to the dynamics of a declining portfolio. Core to our approach is cost variabilisation and simplicity, whilst maintaining a good customer experience through the application of cost-effective digital capabilities that enable self-servicing.

The Life Service Business continuously explores strategic options for future management of the inactive product portfolio to further accelerate the transformation journey.

Asset Management

Athora Netherlands' captive asset manager ACTIAM provides investment services for the majority of Athora Netherlands' own investments and unit-linked propositions. In addition to optimising risk and return in line with our investment guidelines, ACTIAM is also ensuring that our investments have a sustainable focus and create social impact.

Athora Netherlands is exploring strategic options for ACTIAM. Furthermore, as one of the outcomes from the Strategy & Operating Model Review, it is contemplated that the management of the own account assets will be transferred from ACTIAM to be managed in-house at Athora Netherlands' investment office. This will allow ACTIAM to focus on:

- Optimise ESG capabilities to solidify the position as a sustainable investment specialist
- Management of the funds for Athora Netherlands' unit-linked propositions
- Further develop third party fund management and mandates

ACTIAM will continue to work in close collaboration with Athora Netherlands' other business lines to ensure delivery of a strong proposition to our clients and long-term value to our stakeholders.

Risk Management

Athora Netherlands has established a Risk Management System that is aimed at a controlled and effective achievement of the strategic objectives. It relates risks to the strategic, financial and operational objectives as well as to the objectives in the areas of sustainability and reputation. The framework consists of organisational, control and culture components. The management of Athora Netherlands recognises that transparency is a vital element in effective risk management. The Executive Board and its Risk Committee (RC-EB), which is responsible for setting the Risk Management System, monitor that the desired culture and level of risk awareness are translated into identifiable aspects, such as desirable behaviour, details of the risk appetite or criteria for evaluation of employees.

The Executive Board of Athora Netherlands has set guidelines in the risk governance areas of strategy, risk appetite and culture in order to enable risk assessments to be performed properly and efficiently. These guidelines apply to the entire organisation. Athora Netherlands seeks to have an open culture in which risks can be discussed, employees feel a responsibility to share information on risks and (pro)active risk management is appreciated.

The established Integrated Control Framework (ICF), part of the Risk Management System, provides the basis for the internal control system on risk maturity of process key controls and management controls within Athora Netherlands. The management of Product or Functional Lines is responsible for day-to-day operations within the Risk Management System, schedules testing of operating effectiveness of key controls and prepares operational plans on a yearly basis. These plans are subject to the approval of the Executive Board of Athora Netherlands.

For all components within the ICF, standards include applicable minimum requirements. All components of Athora Netherlands are scored for all Business Lines and Functions by an annual assessment of all Management Controls, in which both first line and second line of defence are involved.

Athora Netherlands is a part of Athora Group, and therefore the Risk Management System of Athora Netherlands is aligned within the Risk Management System of Athora Group.

For the full Risk Management section please refer to the Annual Report 2020.

Financial Position

The highlights from the financial performance in 2020 are (all presented figures on the following pages, except Solvency II and IFRS Equity year-end 2019, exclude the Non-Life business):

- Net Underlying Result of EUR 280 million (2019: EUR 277 million) as a result of lower costs partly offset by lower direct investment income. The impact of Covid-19 on results was limited
- Gross premiums of EUR 1,764 million (2019: EUR 1,849 million) driven by stable pension premiums offset by lower individual life premiums due to the shrinking Dutch individual life insurance market
- Zwitserleven PPI almost doubled its assets under management to above EUR 1 billion
- Total operating costs (excluding restructuring costs) were 7% lower as a result of a continued focus on cost control
- The Net Result IFRS of -/- EUR 57 million (2019: EUR 333 million) was impacted by one-off costs as well as a negative Liability Adequacy Test impact due to the lower interest rate environment
- Stable solvency position against a volatile market backdrop and business transformation towards becoming a focused pensions provider
- 2020 Solvency II ratio of 161% (YE19: 170%) at Athora Netherlands NV. Taking into account the sale of the Non-life business, and the associated loss of diversification benefits, the Solvency II ratio remained stable
- 2020 Solvency II ratio of 163% (YE19: 163%) at SRLEV
- Announced a new strategy to become a fully focused pension provider; good progress made on implementation with reorganisation well on track
- Athora Netherlands is exploring strategic options for its asset manager ACTIAM
- Successful rebranding of VIVAT into Athora Netherlands

In € millions ¹	FY20	FY19
Net Underlying Result Athora Netherlands ²	280	277
Net Result IFRS ³	-57	333

In € millions/percentage	FY20	FY19
Solvency-II ratio Athora Netherlands	161%	170%
IFRS Equity	3,728	3,838

¹ Per 1 April 2020, VIVAT Schadeverzekeringen NV was sold. The comparative figures have been restated in line with IFRS 5 regarding discontinued operations.

² Net Underlying Result consists of Net Result IFRS excluding changes in fair value of assets and liabilities (incl. LAT-shortfall) and non-recurring expenses, excluding discontinued operations.

³ Net Result IFRS is for continuing operations for the period. Discontinued operations are excluded.

Financial Result Continued Operations

In € millions ¹	FY20	FY19
Result		
Premium Income	1,764	1,849
Direct Investment Income	1,145	1,272
Operating expenses (excl. Restructuring costs)	236	254
Restructuring costs	56	-
Net underlying result Athora Netherlands	280	277
Net Result IFRS	-57	333

¹ Per 1 April 2020, VIVAT Schadeverzekeringen NV was sold. The comparative figures have been restated in line with IFRS 5 regarding discontinued operations.

Net Result IFRS decreased by EUR 390 million compared to 2019 mainly driven by an increase in the LAT shortfall in 2020 of EUR 165 million versus a release of the LAT shortfall of EUR 64 million in 2019. Net Result

IFRS 2020 was further negatively impacted by EUR 140 million (after taxes) from an additional longevity reinsurance transaction, EUR 42 million (after taxes) restructuring costs and EUR 22 million one-off expenses for the tender of senior bonds.

Net Underlying Result was slightly up in 2020 as a result of lower operating costs and an improvement in the technical result partly mitigated by a lower direct investment income.

Premium income decreased by EUR 85 million from EUR 1,849 million to EUR 1,764 million. Premium income of Individual Life declined by EUR 93 million as a result of the shrinking market in Dutch individual life insurance, while premium income of Life Corporate remained in line with 2019. The PPI inflow increased by 38% compared to previous year, coming in at EUR 199 million in line with the strategic ambition to increase focus on the PPI.

Direct investment income declined in 2020 by EUR 127 million mainly due to lower received interest on investments in foreign currencies, lower dividends and as a result of the declining portfolio Individual Life.

An additional provision for restructuring expenses and other reorganisation related costs of EUR 56 million was recognised in 2020. Excluding this impact, operating expenses decreased by 7% underpinned by continuous cost savings efforts.

The reconciliation of the Net Underlying Result to Net Result IFRS is presented in the table below:

In € millions	FY20	FY19
Net Underlying Result Athora Netherlands	280	277
1) Change LAT-shortfall Life in P&L	-165	64
2) Other (un)realised changes in fair value of A/L	-47	14
3) One-offs and Non operating expenses and profits	-125	-22
Net Result IFRS Athora Netherlands	-57	333

The downturn in the change of the LAT-shortfall Life in 2020 was driven by the annual decrease of the UFR of 15 basis points and the low interest rates as well as a change in (investment) expense assumptions due to strategy choices. The 2019 LAT-shortfall was also negatively impacted by the decrease of the UFR, however this was more than offset by a positive impact in insurance mortality parameter assumptions change.

Other (un)realised changes in fair value of assets and liabilities in 2020 were negatively impacted by the tender of the senior debt and negative realised results on equity investments. In 2019 other (un)realised changes in fair value of assets and liabilities were influenced by a positive result on hedges, mainly as a result of decreased market interest rates.

The result in 2020 was negatively influenced by EUR 125 million of one-off items related to an additional longevity reinsurance transaction of EUR 140 million and a restructuring provision of EUR 42 million. This was partly offset by an adjustment of the net Deferred Tax Assets (DTA)-position to 25%, following a tax legislation change, which had a positive impact on taxation of EUR 57 million.

The one-off items in 2019 relate to the expansion of the existing quota share longevity reinsurance transaction from 70% to 90%, causing a negative impact on the Net Result IFRS of EUR 43 million, which was partly offset by a positive change in the Net Result IFRS 2019 for EUR 21 million due to the recalculation of the DTA-position from a tax rate of 20.5% to 21.7%.

Financial Result per Segment

Life Corporate

In € millions	FY20	FY19
Result		
Gross Premium Income	1,093	1,086
Net inflow Zwitterleven PPI ¹	199	144
Direct Investment income	675	739
Operating expenses (excl. Restructuring costs)	93	99
Restructuring costs	22	-
Total costs	115	99
Net Result IFRS	-148	175
Net Underlying Result	163	177

¹ Net inflow Zwitterleven PPI is not part of the P&L of Life Corporate.

Life Corporate had another strong commercial year resulting in a gross premium income of EUR 1.09 billion which was in line with 2019. The production of immediate annuities reached an all-time high of EUR 300 million. The PPI inflow increased by 38% compared to previous year, in line with the strategic ambition to increase focus on the PPI. Despite the challenging market environment, the retention rate remained high at 84% as well as the new business market share being maintained at 20%.

Excluding the impact of restructuring costs of EUR 22 million, costs were EUR 6 million lower compared to previous year, underpinning the focus on cost control.

Net Underlying Result decreased by 8% to EUR 163 million compared to 2019. Net Underlying Result is primarily driven by a lower investment income resulting from the rebalancing of the investment portfolio at the end of 2019, which was partly offset by an improvement of both technical and cost results.

The LAT impact on the Net Result IFRS was EUR 165 million negative, compared to EUR 64 million positive in 2019. Additionally, Net Result IFRS of Life Corporate in 2020 was negatively influenced by a EUR 140 million one-off item related to the additional longevity transaction. This negative effect was partly offset by EUR 57 million relating to the recalculation of the DTA-position.

Individual Life

In € millions	FY20	FY19
Result		
Gross Premium Income	674	767
Direct Investment income	448	495
Operating expenses (excl. Restructuring costs)	80	85
Restructuring costs	26	-
Total costs	106	85
Net Result IFRS	137	154
Net Underlying Result	124	116

Gross premium income decreased by 12%, or EUR 93 million caused by the shrinking Dutch individual life market and lower sales of immediate annuities compared to previous year. Nevertheless, in the last quarter of 2020 the production of immediate annuities increased and reached a level of EUR 60 million at year-end. The strategy review affirmed that immediate annuities will remain an important product for Athora Netherlands.

From 2021 onwards, this product will be offered under the Zwitserleven-label benefiting from the strong brand recognition.

Direct investment income decreased further in 2020 compared to 2019, as a result of a shrinking portfolio in combination with the low interest rate environment.

Excluding restructuring costs, operating expenses were EUR 5 million lower due to continuous cost saving measures, including digitalisation efforts.

Net Underlying Result increased by 7% to EUR 124 million, driven by an improvement in the technical result which was partly offset by a decrease in the cost result due to a decline in cost loadings.

Net Result IFRS 2020 of EUR 137 million was impacted by EUR 26 million of restructuring costs.

ACTIAM

In € millions	FY20	FY19
Result		
Fee and commission income	62	68
Fee and commission expenses	24	28
Net fee and commission income	38	40
Operating expenses (excl. Restructuring costs)	42	49
Restructuring costs	2	-
Total costs	44	49
Net Result IFRS	-5	-7
Net Underlying Result	-3	-7
Assets Under Management (€ billions)	58.1	63.8

Net fee and commission income decreased slightly to EUR 38 million as a result of the sale of the Non-Life business, the transition of a large customer and the reallocation of funds by a distribution partner.

Operating expenses were EUR 7 million lower, primarily as a result of lower staff costs, overhead costs and lower external advisory costs.

Both the Net Result IFRS and the Net Underlying Result improved compared to 2019, by EUR 2 million and EUR 4 million, respectively, mainly as a result of lower operating expenses.

Assets under management decreased to EUR 58.1 billion mainly as a result of the aforementioned changes in client demand and the sale of the Non-Life business, partially offset by favorable market movements.

Holding

In € millions	FY20	FY19
Result		
Net fee and commission income	-3	-1
Direct Investment income	36	58
Operating expenses (excl. Restructuring costs)	25	25
Restructuring costs	6	-
Total costs	31	25
Other interest expenses	68	50
Net Result IFRS	-41	11
Net Underlying Result	-4	-9

Direct investment income was EUR 22 million lower mainly due to the decision of SRLEV not to pay the coupon payment on the internal restricted Tier 1 loan provided by Athora Netherlands NV right before Athora Netherlands NV down streamed EUR 300 million of the EUR 400 million capital injection of Athora Group into SRLEV to enable the substantial asset repositioning.

Excluding one-off expenses of EUR 29 million (gross) related to the tender of Senior Debt, other interest expenses decreased by EUR 4 million compared to 2019.

The Net Result IFRS decreased by EUR 52 million compared to 2019. The result in 2020 was negatively impacted by the result recorded on the tender of Senior Debt (EUR 22 million), lower coupon receipts (EUR 15 million) and restructuring costs (EUR 6 million).

The improvement of the Net Underlying Result in 2020 by EUR 5 million was mainly driven by lower external funding costs.

Capital Management

In € millions/percentage ¹	FY20	FY19
Eligible own funds Athora Netherlands NV	4,134	4,340
Consolidated Group SCR	2,569	2,548
Solvency II ratio Athora Netherlands NV	161%	170%
Eligible own funds SRLEV NV	4,023	3,697
Consolidated SRLEV SCR	2,463	2,275
Solvency II ratio SRLEV NV	163%	163%

¹ 2019 figures include Non-Life business.

The Solvency II ratio of Athora Netherlands decreased from 170% at the end of 2019 to 161% at the end of 2020.

Following the ownership transfer, Athora Netherlands received a EUR 400 million share premium contribution from Athora Holding following the acquisition which had a positive impact of 14% -point. The transfer of VIVAT Non-Life to NN Group following the sale of VIVAT to Athora Holding had a negative impact of 6% -point on the Solvency II ratio, as the decrease in required capital did not offset the decrease in own funds. Coupon payments on subordinated debt had an additional negative impact of 3% -point.

The capital injection enabled Athora Netherlands to further reposition its asset portfolio towards higher returning investments. Athora Netherlands used the market conditions in the first half of the year to invest in

EUR 5 billion of targeted high-quality investment grade and predominantly senior credits with the aim to increase investment income. As spreads tightened significantly in the second half of the year Athora Netherlands reduced the exposure on certain expensive high-quality investment grade credits. Considered throughout the year, the impact of the repositioning of the asset portfolio on the Solvency II ratio was +/- 6%-point.

Capital generation was +/- 3%-point, due to the decrease in interest rates and the negative impact of the UFR drag increased.

Market impacts had a negative impact of 4% -point on the Solvency II ratio. The decrease in interest rates had a positive impact, however, this was more than offset by the impact of spread and other movements. The Volatility Adjustment (VA) of 7 bps at the end of 2020 was equal to year-end 2019. In December 2020, SRLEV signed an additional longevity reinsurance transaction which had a 6 % -point positive impact on the Solvency II ratio of Athora Netherlands.

The interest rate shock used to calculate the SCR interest rate risk switched from the interest up to the interest down scenario. This resulted in a decrease in diversification benefits when calculating the SCR with a negative impact of 8%-point. This impact is partly offset by the yearly update in insurance parameters (5%-point), which was driven by lower population mortality improvement rates as published by the Actuarial Society of the Netherlands (Actuarieel Genootschap).

The decrease in the level of the UFR with 15 bps to 3.75% had a negative impact of 3%-point.

The Solvency II ratio of SRLEV remained stable at 163%. The drivers of the change in the Solvency II ratio of SRLEV are similar to that of Athora Netherlands, except of the sale of VIVAT Non-Life.

Statement of Financial Position of Athora Netherlands Excluding Non-Life in FY19

In € millions	FY20	FY19
Total assets	66,008	60,493
Investments	41,922	40,127
Investments for account of policyholders	13,788	13,520
Investments for account of third parties	2,414	1,045
Loans and advances due from banks	603	712
Cash and cash equivalents	385	305
Shareholders equity	3,428	3,538
Holder of other equity instruments	300	300
Total equity	3,728	3,838
Total liabilities	62,280	56,655
Insurance liabilities	51,512	49,005
Subordinated debt	818	868
Borrowings	61	645
Liabilities investments for account of third parties	2,414	1,045
Amounts due to banks	4,684	2,751

Assets

Investments for own account have increased by EUR 1.8 billion in 2020. Main inflows originated from higher received cash collateral for derivatives and increased prices of investments due to decreased market interest rates.

Investments for account third parties increased EUR 1.4 billion mainly as result of merging ACTIAM fund (EUR 0.9 billion), additional inflow in the Zwitserleven PPI (EUR 0.4 billion) and higher equity prices.

Shareholders' Equity

Shareholders' equity decreased due to changes in the revaluation of investments, employee benefits reserve and the payment of interest on the EUR 300 million Tier 1 instrument. A dividend upstream after the sale of the Non-Life business (EUR 416 million) was offset by a capital injection from the shareholder of EUR 400 million.

Liabilities

Insurance liabilities increased in 2020 mainly as a result of decreased market interest rates.

Amounts due to banks increased mainly as a result of higher received cash collateral for derivatives.

Borrowings decreased as a result of the successful tender offer of EUR 589 million of subordinated notes.

Consolidated Statement of Financial Position of Athora Netherlands N.V.

In € millions ¹	FY20	FY19
Assets		
Property and equipment	46	62
Investments in associates	38	37
Investment property	521	460
Investments	41,922	41,572
Investments for account of policyholders	13,788	13,520
Investments for account of third parties	2,414	1,045
Derivatives	5,390	3,102
Deferred tax assets	607	449
Reinsurance share	27	111
Loans and advances due from banks	603	712
Corporate income tax	13	2
Other assets	254	262
Cash and cash equivalents	385	351
Total assets	66,008	61,685
Equity and liabilities		
Share capital ²	0	0
Reserves	3,428	3,538
Shareholders equity	3,428	3,538
Holders of other equity instruments	300	300
Total equity	3,728	3,838
Subordinated debt	818	868
Borrowings	61	645
Insurance liabilities	51,512	50,088
Liabilities investments for account of third parties	2,414	1,045
Provision for employee benefits	695	629
Other provisions	68	15
Derivatives	1,097	676
Amounts due to banks	4,684	2,803
Other liabilities	931	1,078
Total equity and liabilities	66,008	61,685

¹ The FY 2019 figures contain VIVAT Schadeverzekeringen NV

² The issued and paid up share capital of Athora Netherlands NV is € 238.500

Additional Solvency II Information

Breakdown Solvency II own funds Athora Netherlands Group:

	31 December 2020 (EUR million)
Tier 1	2,585
Restricted Tier 1	411
Tier 2	757
Tier 3	381
Solvency II own funds	4,134

Breakdown Solvency II solvency capital required (SCR) Athora Netherlands Group:

	31 December 2020 (EUR million)
Market risk	1,500
Default risk	164
Life	1,399
Diversification	-714
Other	219
Solvency II SCR	2,569

Solvency II ratio sensitivities:

	31 December 2020
Solvency II ratio	161%
Volatility Adjustment -1 bps	-2%
UFR -15 bps	-5%
UFR -50 bps	-16%
Interest Rates +50 bps	-2%
Interest Rates -50 bps	5%
Corporate Bond/ Mortgage Spreads +50 bps	17%
Government Bond Spreads	7%
Equities	-1%
Real Estate	-2%

Additional information on the investment portfolio:

Breakdown investment portfolio Athora Netherlands Group by market value:

	31 December 2020 (EUR billion)
Sovereigns	24.3
Credits	8.2
Private Credits	0.7
Collateral trades	1.0
Mortgages	4.4
Equity like	0.7
Total	39.3

CORPORATE GOVERNANCE

Executive Board

General

The Executive Board is responsible for the strategy and operations of Athora Netherlands. The Executive Board carefully weighs the interests of all stakeholders and acts in the interests of Athora Netherlands.

Composition, Appointment and Role

Athora Netherlands applies the full large company regime under which the members of the Executive Board are appointed by the Supervisory Board. Only the Supervisory Board may suspend or remove a member of the Executive Board.

The Executive Board as of 31 December 2020 consists of the following members:

Name	Position	Nationality	Date of appointment
R.H. (Tom) Kliphuis	Chief Executive Officer	Dutch	1 April 2020
Y. (Yinhua) Cao*	Chief Financial Officer	Chinese	23 October 2015
A.P. (Annemarie) Mijer	Chief Risk Officer	Dutch	1 July 2020
A. (Angelo) Sacca	Chief Strategy & Commercial Officer	Italian	1 April 2020
S.A. (Stefan) Spohr	Chief Operating Officer	Swiss	1 April 2020

* Yinhua Cao will step down as Chief Financial Officer and member of the Executive Board of Athora Netherlands N.V., effective as of 1 May 2021.

On 31 January 2020, J.J.T. (Ron) van Oijen stepped down as Chief Executive Officer. On 1 April 2020, X.W. (Xiao Wei) Wu stepped down as Chief Transformation Officer, L. (Lan) Tang stepped down as Chief Risk Officer, W.M.A. (Wendy) de Ruiter-Lörx stepped down as Chief Commercial Officer, and J.C.A. (Jeroen) Potjes stepped down as Chief Operating Officer.

R.H. (Tom) Kliphuis

Chief Executive Officer

Tom Kliphuis (1964) was the chairman of the Board of Directors for the Coöperatie VGZ since 2014 until his appointment as CEO of Athora Netherlands. Mr. Kliphuis started his career at ING/ Nationale Nederlanden and worked in various management positions. From 2000 to 2011, he was responsible for the insurance and pension activities of ING Insurance in Mexico, Chile and Central and Southern Europe respectively. Mr. Kliphuis was also CEO of Insurance at ING Benelux from 2011 to 2013.

Y. (Yinhua) Cao

Chief Financial Officer

Yinhua Cao (1975) holds a bachelor's degree in international finance from the Shanghai University of Economics and Finance. Mr. Cao started his career in the financial service sector at PricewaterhouseCoopers in 1998. He was the lead audit partner for large insurance companies and asset management companies, and as the lead partner, he was also involved in various finance and solvency consulting programmes for insurers. His last position with PricewaterhouseCoopers was the partner of the financial service group. At Anbang, he commenced as managing

director of Anbang Asset Management Hong Kong and finance director of the Anbang Insurance Group. Mr. Cao is also a member of the financial and economic committee of the Dutch Association of Insurers.

A.P. (Annemarie) Mijer

Chief Risk Officer

Annemarie Mijer (1970) holds a Masters Degree in Actuarial Mathematics. Mrs. Mijer joined from ABN AMRO where she served as Head of Central Risk Management. In 2015, she was appointed Chief Risk Officer and member of the Executive Board of Delta Lloyd Group. Prior to this, Mrs. Mijer held various senior leadership positions in ING Group and Nationale-Nederlanden. In April 2019, she was appointed as member of the Supervisory Board and Chairman of the Audit Committee at Klaverblad Verzekeringen. Annemarie is a Certified Actuary of the Dutch Society of Actuaries and holds professional qualifications in Investment Analysis.

A. (Angelo) Sacca

Chief Strategy & Commercial Officer

Angelo Sacca (1977) holds a Masters Degree in Corporate Communications with Economics from Università degli Studi in Siena and is a certified Chartered Financial Analyst. Formerly a Managing Director in the Athora M&A team, he has led the management of the VIVAT transaction for Athora. He previously worked in the Financial Institutions Group at the M&A division of UBS and Greenhill & Co and as a Credit Analyst in the European insurance team of Standard & Poor's credit ratings. In the early part of his career, Mr. Sacca worked as management consultant with a focus on the financial services industry.

S.A. (Stefan) Spohr

Chief Operating Officer

Stefan Spohr (1964) holds a Bachelor's degree in Economics & Political Science from Indiana University, Bloomington and a Masters Degree from Columbia University, New York. Previously, he was CEO Insurance Operations at Athora Germany. Mr. Spohr has significant operational and financial services experience garnered over many years as the Global Head of Industries at Willis Towers Watson, CEO UK & Ireland at BearingPoint and Partner at A.T. Kearney.

Business Address and no Conflicts of Interest

The business address of each member of the Executive Board is the registered office of Athora Netherlands. There are no potential conflicts of interest between any of the duties of the members of the Executive Board towards Athora Netherlands and the private interests.

Governing Rules

With the appointment of new members of the Executive Board on 1 April 2020, the gender balance in the Executive Board has changed from 60% men and 40% women to 80% men and 20% women. From a diversity perspective, in terms of age, background and nationality, but also experience in different settings a good balance has been maintained.

For future appointments of Executive Board members, Athora Netherlands will take into account all laws and regulations and its diversity in terms of gender, age, experience, nationality and background. The principle of having at least 30% men or 30% women is applied in succession planning for the Executive Board, Supervisory Board and senior leadership.

As part of the continuing education programme of Athora Netherlands, the Executive Board members participate in various education sessions. These sessions are sometimes attended together with the Supervisory Board members or with senior management of Athora Netherlands and are provided by internal and external speakers. The topics this year were limited due to the change in ownership of Athora Netherlands and its strategy review.

Nevertheless, the Executive Board has attended deepdives and masterclasses on engagement, capital management and risk appetite.

Supervisory Board

General

The Supervisory Board is responsible for supervising the management of the Executive Board, the general business of Athora Netherlands, and providing advice to the Executive Board. Supervision includes monitoring the realisation of objectives, strategy, risk policies, integrity of business operations and compliance with laws.

The Supervisory Board may, on its own initiative, provide the Executive Board with advice and may request any information from the Executive Board that it deems appropriate. In performing its duties, the Supervisory Board weighs the interests of all stakeholders and acts in accordance with the interests of Athora Netherlands and the business connected with it.

Meetings of the Supervisory Board

The Supervisory Board meets on a regular basis in accordance with an annual schedule, which in practice implies two-day meetings every six weeks on average. Decisions of the Supervisory Board are taken by a majority of votes. The Supervisory Board has drawn up internal regulations that elaborate and expand on a number of provisions from the articles of association. These regulations set out additional powers. All members of the Supervisory Board have declared their acceptance of these regulations and have undertaken to abide by the rules contained therein.

Composition, Appointment and Role

The members of the Supervisory Board are appointed by the General Meeting upon nomination of the Supervisory Board. The General Meeting and the Works Council may recommend candidates for nomination to the Supervisory Board. The Supervisory Board is required to nominate one-third of the Supervisory Board members on the special right of recommendation (*'versterkt recht van aanbeveling'*) of the Works Council, unless the Supervisory Board objects to the recommendation on certain grounds.

The Supervisory Board as of 31 December 2020 consists of the following members:

Name	Position	Nationality	Date of appointment
M.W. (Maarten) Dijkshoorn	Chairman	Dutch	23 December 2016
M.A.E. (Michele) Bareggi	Member	Italian	1 April 2020
F.G.H. (Floris) Deckers	Member	Dutch	1 April 2020
J.M.A. (Hanny) Kemna	Member	Dutch	1 April 2020
P.P.J.L.M.G. (Pierre) Lefèvre	Chief Operating Officer	Belgian	26 July 2015

On 1 April 2020, M.R. (Miriam) van Dongen, M. (Ming) He and K. (Kevin) Shum stepped down as members of the Supervisory Board.

M.W. (Maarten) Dijkshoorn

Maarten Dijkshoorn (1950) is chair of the Supervisory Board and Conflict of Interest Committee and a member of the Remuneration and Nomination Committee, the Risk Committee and the Audit Committee. Mr. Dijkshoorn has worked in the financial services industry for more than forty years. From 2002 to 2009, Mr. Dijkshoorn was chief executive officer and chief operational officer of Eureko BV (Achmea). Prior to that,

Mr. Dijkshoorn held various management functions within Nationale-Nederlanden for twenty-five years. He was supervisory board member of PGGM, Monuta and MediRisk, and he was chairman of the supervisory board of de Goudse Verzekeringen NV.

M.A.E. (Michele) Bareggi

Michele Bareggi (1973) is the chair of the Remuneration and Nomination Committee and member of the Risk Committee. He is Chief Executive Officer of Athora Group and member of the Executive Boards of Athora Belgium NV and Athora Lebensversicherung AG. Mr. Bareggi worked in the past as Managing Director at Morgan Stanley. He also held senior roles at Nomura Holdings, Lehman Brothers, JPMorgan and Credit Suisse First Boston.

F.G.H. (Floris) Deckers

Floris Deckers (1950) is a member of the Audit Committee and Risk Committee. Mr. Deckers worked in the past as CEO of Van Lanschot Bankiers and Senior Executive at ABN AMRO. In addition, Mr. Deckers has been chairman of the Supervisory Board of Deloitte Netherlands as well as chairman of the Supervisory Board of SBM Offshore. Mr. Deckers is currently a member of the Supervisory Board of Arklow Shipping Group Ireland, as well as for its Dutch subsidiary, and he is a board member of the Vlerick Business School in Gent and Leuven (Belgium).

J.M.A. (Hanny) Kemna

Hanny Kemna (1960) is chair of the Audit Committee, member of the Remuneration and Nomination Committee, Risk Committee and Conflict of Interest Committee. In addition to her function at Athora Netherlands, Mrs. Kemna is chair for the Supervisory Board of MN Services NV and vice chair of the Supervisory Board as well as Audit Committee Chair for Menzis. In addition, she is a non-executive director for ASA International, member of the Audit and Risk Advisory Committee to the Board of Géant and Extraordinary member to the board of the Dutch Court of Audit.

P.P.J.L.M.G. (Pierre) Lefèvre

Pierre Lefèvre (1956) is chair of the Risk Committee, member of the Audit Committee and Conflict of Interest Committee. After studying mechanical engineering and industrial administration, Mr. Lefèvre became internal auditor at Unilever before joining AXA Belgium NV in Belgium as a financial controller. He continued his career with AXA Belgium as general manager for Individual Life and later on as general manager for P&C Personal Lines. In 1994, he moved to AXA Insurance (United Kingdom) as chief executive officer of the P&C insurance business and was subsequently appointed chairman of the board. In 1998 he was appointed as chairman of the executive board of AXA Netherlands. Between 2002 and 2013 Mr. Lefèvre fulfilled various chief executive officer roles in subsidiaries of Groupama SA. Since 2013, Mr. Lefèvre has acted as independent non-executive director and chair of the risk committee of Hasting Group Holdings PLC and, since 2014, as senior advisor of Eurohold Corporate Finance, SL. He also serves as an independent non-executive director and chairman of the risk committee of Advantage Insurance Company Limited.

Business Address and no Conflicts of Interest

The business address of each member of the Supervisory Board is the registered office of Athora Netherlands. There are no potential conflicts of interest between any of the duties of the members of the Supervisory Board towards Athora Netherlands and the private interests.

TAXATION

Taxation - Netherlands

The following summary outlines certain principal Dutch tax consequences of the acquisition, holding, redemption and disposal of the Notes, but does not purport to be a comprehensive description of all Dutch tax considerations that may be relevant. For purposes of Dutch tax law, a holder of Notes may include an individual or entity who does not have the legal title of these Notes, but to whom nevertheless the Notes or the income thereof is attributed based on specific statutory provisions or on the basis of such individual or entity having an interest in the Notes or the income thereof. This summary is intended as general information only and each prospective investor should consult a professional tax adviser with respect to the tax consequences of the acquisition, holding, redemption and disposal of the Notes.

This summary is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of this Offering Memorandum, and it does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This summary does not address the Dutch corporate and individual income tax consequences for:

- (a) investment institutions (*fiscale beleggingsinstellingen*);
- (b) pension funds, exempt investment institutions (*vrijgestelde beleggingsinstellingen*) or other Dutch tax resident entities that are not subject to or exempt from Dutch corporate income tax;
- (c) holders of Notes holding a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictiefaanmerkelijk belang*) in the Issuer and holders of Notes of whom a certain related person holds a substantial interest in the Issuer. Generally speaking, a substantial interest in the Issuer arises if a person, alone or, where such person is an individual, together with his or her partner (statutorily defined term), directly or indirectly, holds or is deemed to hold (i) an interest of 5% or more of the total issued capital of the Issuer or 5% or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit-sharing rights in the Issuer;
- (d) persons to whom the Notes and the income therefrom are attributed based on the separated private assets (*afgezonderd particulier vermogen*) provisions of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*);
- (e) entities which are a resident of Aruba, Curaçao or Sint Maarten and that have an enterprise which is carried on through a permanent establishment or a permanent representative on Bonaire, Sint Eustatius or Saba and the Notes are attributable to such permanent establishment or permanent representative; and
- (f) individuals to whom the Notes or the income therefrom are attributable to employment activities which are taxed as employment income in the Netherlands.

Where this summary refers to the Netherlands, such reference is restricted to the part of the Kingdom of the Netherlands that is situated in Europe and the legislation applicable in that part of the Kingdom.

This summary does not describe the consequences of the exchange or the conversion of the Notes.

Dutch Withholding Tax

All payments made by the Issuer under the Notes may - except in certain very specific cases as described below - be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein provided that

the Notes do not in fact function as equity of the Issuer within the meaning of article 10, paragraph 1, under d of the Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*).

Dutch withholding tax may apply on certain (deemed) interest due and payable to an affiliated (*gelieerde*) entity of the Issuer if such entity (i) is considered to be resident (*gevestigd*) in a jurisdiction that is listed in the yearly updated Dutch Regulation on low-taxing states and non-cooperative jurisdictions for tax purposes (*Regeling laagbelastende staten en niet-coöperatieve rechtsgebieden voor belastingdoeleinden*), or (ii) has a permanent establishment located in such jurisdiction to which the interest is attributable, or (iii) is entitled to the interest payable for the main purpose or one of the main purposes to avoid taxation of another person, or (iv) is not considered to be the recipient of the interest in its jurisdiction of residence because such jurisdiction treats another (lower-tier) entity as the recipient of the interest (hybrid mismatch), or (v) is not treated as resident anywhere (also a hybrid mismatch), all within the meaning of the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*).

Corporate and Individual Income Tax

Residents of the Netherlands

If a holder of Notes is a resident of the Netherlands or deemed to be a resident of the Netherlands for Dutch corporate income tax purposes and is fully subject to Dutch corporate income tax or is only subject to Dutch corporate income tax in respect of an enterprise to which the Notes are attributable, income derived from the Notes and gains realised upon the redemption or disposal of the Notes are generally taxable in the Netherlands (at up to a maximum rate of 25%).

If an individual is a resident of the Netherlands or deemed to be a resident of the Netherlands for Dutch individual income tax purposes, income derived from the Notes and gains realised upon the redemption or disposal of the Notes are taxable at the progressive rates (at up to a maximum rate of 49.50%) under the Dutch Income Tax Act 2001, if:

- (a) the individual is an entrepreneur (*ondernemer*) and has an enterprise to which the Notes are attributable or the individual has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the Notes are attributable; or
- (b) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which includes activities with respect to the Notes that exceed regular, active portfolio management (*normaal, actiefvermogensbeheer*).

If neither condition (a) nor condition (b) above applies to the holder of the Notes, taxable income with regard to the Notes must be determined on the basis of a deemed return on savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return on savings and investments is fixed at a percentage of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year (1 January), insofar as the individual's yield basis exceeds a statutory threshold (*heffingvrij vermogen*). The individual's yield basis is determined as the fair market value of certain qualifying assets held by the individual less the fair market value of certain qualifying liabilities on 1 January. The fair market value of the Notes will be included as an asset in the individual's yield basis. The deemed return percentage to be applied to the yield basis increases progressively depending on the amount of the yield basis. The deemed return on savings and investments is taxed at a rate of 31%.

Non-residents of the Netherlands

If a person is neither a resident of the Netherlands nor is deemed to be a resident of the Netherlands for Dutch corporate or individual income tax purposes, such person is not liable to Dutch income tax in respect of income derived from the Notes and gains realised upon the redemption or disposal of the Notes, unless:

- (a) the person is not an individual and such person (1) has an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or a permanent representative the Notes are attributable, or (2) is, other than by way of securities, entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, which is effectively managed in the Netherlands and to which enterprise the Notes are attributable.

This income is subject to Dutch corporate income tax at up to a maximum rate of 25% .

- (b) the person is an individual and such individual (1) has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Notes are attributable, or (2) realises income or gains with respect to the Notes that qualify as income from miscellaneous activities in the Netherlands which include activities with respect to the Notes that exceed regular, active portfolio management, or (3) is, other than by way of securities, entitled to a share in the profits of an enterprise that is effectively managed in the Netherlands and to which enterprise the Notes are attributable.

Income derived from the Notes as specified under (1) and (2) by an individual is subject to individual income tax at progressive rates up to a maximum rate of 49.50% . Income derived from a share in the profits of an enterprise as specified under (3) that is not already included under (1) or (2) will be taxed on the basis of a deemed return on savings and investments (as described above under "Residents of the Netherlands").

Gift and Inheritance tax

Dutch gift or inheritance taxes will not be levied on the occasion of the transfer of the Notes by way of gift by, or on the death of, a holder of Notes, unless:

- (a) the holder of the Notes is, or is deemed to be, resident in the Netherlands for the purpose of the relevant provisions; or
- (b) the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in the Netherlands for the purpose of the relevant provisions.

Value Added Tax

In general, no value added tax will arise in respect of payments in consideration for the issue of the Notes or in respect of a cash payment made under the Notes, or in respect of a transfer of the Notes.

Other Taxes and Duties

No registration tax, customs duty, transfer tax, stamp duty, capital tax or any other similar documentary tax or duty will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Notes.

The proposed financial transactions tax (FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as **FATCA**, a foreign financial institution (as defined by FATCA) may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the Netherlands) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and the Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional Notes (as described under "*Terms and Conditions—Further Issues*") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA.

Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

Each of Barclays Bank Ireland PLC, HSBC Continental Europe and NatWest Markets N.V. (the **Joint Lead Managers**) have, pursuant to a subscription agreement entered into on 8 April 2021 (the **Subscription Agreement**), agreed to subscribe for the Notes at the issue price of 99.907 per cent of the principal amount of the Notes, less certain agreed commissions. Athora Netherlands will also reimburse the Joint Lead Managers in respect of certain of their expenses incurred in connection with the issue of the Notes. The Subscription Agreement may be terminated in certain circumstances prior to payment of Athora Netherlands. In such event, no Notes will be delivered to the Joint Lead Managers.

United States

The Notes have not been, and will not be, registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from or not subject to the registration requirements of the Securities Act.

The Joint Lead Managers have agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Closing Date within the United States or to, or for the account or benefit of, U.S. persons and that it will have sent to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered or sold or delivered to a person who is within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings assigned to them by the U.S. Internal Revenue Code and U.S. Treasury regulations issued thereunder.

In addition, until 40 days after the completion of the distribution of all Notes, an offer or sale of Notes within the United States by the Joint Lead Managers (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Prohibition of sales to EEA Retail Investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available to and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II;
 - (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in the Prospectus Regulation; and
- (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

United Kingdom

Prohibitions of sales to UK Retail Investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available to and will not offer, sell or otherwise make available any Notes to any retail investor in the UK. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA;
 - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
 - (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the **UK Prospectus Regulation**); and
- (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

Other regulatory restrictions

The Joint Lead Managers have represented and agreed that:

- (i) they have complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (the **FSMA**) with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom; and
- (ii) they have 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 FSMA) received by it in connection with the issue of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to Athora Netherlands.

Hong Kong

Each Joint Lead Manager has represented and agreed that,

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the **SFO**) and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the **C(WUMP)O**) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (ii) 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 SFO and any rules made under the SFO.

Singapore

Each Joint Lead Manger has acknowledged that this Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the 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 Offering Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA 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;
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(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, 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; or
- (iv) as specified in Section 276(7) of the SFA.

Notification under Section 309B(1)(c) of the SFA - In connection with Section 309B of the SFA and the CMP Regulations 2018, the Issuer has determined the classification of the Notes as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

General

No action has been taken in any jurisdiction by the Joint Lead Managers or Athora Netherlands that would permit a public offering of the Notes, or possession or distribution of this Offering Memorandum in any country or jurisdiction where action for that purpose is required.

The Joint Lead Managers have agreed that it will (to the best of their knowledge and belief) comply in all material respects with all applicable securities laws and regulations in force in any jurisdiction in which it acquires, offers, sells or delivers the Notes or has in its possession or distributes this Offering Memorandum.

GENERAL INFORMATION

Authorisation

The issue and offering of the Notes were duly authorised by a resolution of the Executive Board passed on 1 April 2021 and approved by a resolution of the Supervisory Board passed on 1 April 2021 and a resolution of the Shareholder passed on 1 April 2021.

Issue Date

The issue date of the Notes is expected to be on or about 15 April 2021.

Listing and Trading

This Offering Memorandum has been approved by Euronext Dublin as listing particulars. Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and trading on the GEM which is the exchange regulated market of Euronext Dublin. The GEM is not a regulated market for the purposes of Directive 2014/65/EU.

Clearing Systems

The Notes have been accepted for clearing and settlement through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records) with a Common Code of 233050199. The ISIN for the Notes is XS2330501995.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855 Luxembourg.

Listing and Fiscal Agent

HSBC Bank plc has been engaged by Athora Netherlands as (i) Fiscal Agent for the Notes, upon the terms and subject to the conditions set out in the Agency Agreement, for the purpose of paying sums due on the Notes and of performing all other obligations and duties imposed on it by the Terms and Conditions and the Agency Agreement, and (ii) as calculation agent (**Calculation Agent**) to perform the duties set out in the Agency Agreement. Walkers Listing Services Limited has been engaged by Athora Netherlands as Listing Agent for the Notes and is not itself seeking admission to trading of the Notes on the Global Exchange Market of the Euronext Dublin.

HSBC Bank plc, in its capacity of Fiscal Agent, Calculation Agent, and Walkers Listing Services Limited, in its capacity as Listing Agent, are acting for Athora Netherlands only and will not regard any other person as its client in relation to the offering of the Notes. Neither HSBC Bank plc, Walkers Listing Services Limited nor any of their directors, officers, agents or employees makes any representation or warranty, express or implied, or accepts any responsibility, as to the accuracy, completeness or fairness of the information or opinions described or incorporated by reference in this Offering Memorandum, in any investor report or for any other statements made or purported to be made either by itself or on its behalf in connection with Athora Netherlands or the offering of the Notes. Accordingly, HSBC Bank plc, and Walkers Listing Services Limited disclaim all and any liability, whether arising in tort or contract or otherwise, in respect of this Offering Memorandum and or any such other statements.

Yield

The effective yield of the Notes to (but excluding) the Reset Date is 2.270 per cent per annum. The yield is calculated at the Issue Date.

LEI

The Issuer's legal entity identifier (LEI) is 724500MKKXKEVWMN9E13.

Significant or Material Change

There has been no significant change in the financial or trading position of the Athora Netherlands Group or Athora Netherlands since 31 December 2020, being the end date of the last financial period for which audited financial information has been published.

There has been no material adverse change in the prospects of the Athora Netherlands Group or Athora Netherlands since 31 December 2020, being the end date of the last financial period for which audited financial information has been published.

Litigation

Save as disclosed in "*Risk Factors - The Athora Netherlands Group is exposed to the level of interest rates*", "*Risk Factors - Litigation, regulatory measures and other proceedings or actions*" and "*Risk Factors - The Athora Netherlands Group is exposed to (litigation) risks related to the offering of investment insurance, investment pension and profit sharing policies*", Athora Netherlands is not or has not been involved in and is not aware of any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Athora Netherlands is aware) in the 12 months preceding the date of this Offering Memorandum, which may have, or have had in the recent past, significant effects on Athora Netherlands' and/or the Athora Netherlands Group's financial position or profitability as per the date of this Offering Memorandum.

Material Contracts

There are no material contracts entered into other than in the ordinary course of Athora Netherlands' or the Athora Netherlands Group's business, which could result in Athora Netherlands being under an obligation or entitlement that is material to Athora Netherlands' ability to meet its obligations to Noteholders in respect of the Notes.

Documents Available for Inspection

So long as the Notes are outstanding, physical copies of the following documents will, when published, be available free of charge at the registered offices of Athora Netherlands (Burgemeester Rijnderslaan 7, 1185 MD Amstelveen, the Netherlands) and at the specified office of the Fiscal Agent:

- (a) Athora Netherlands' publicly available annual report 2019 (English version), pages 73 to 259 (inclusive), containing the audited consolidated financial statements of Athora Netherlands (including the notes thereto and the independent auditor's report thereon) in respect of the financial year ended 31 December 2019;
- (b) Athora Netherlands' publicly available annual report 2020 (English version), pages 58 to 218 (inclusive), containing the audited consolidated financial statements of Athora Netherlands (including the notes thereto and the independent auditor's report thereon) in respect of the financial year ended 31 December 2020;
- (c) The articles of association (*statuten*) of Athora Netherlands dated 10 December 2020; and
- (d) The Agency Agreement.

Electronic copies of the documents listed above, will also be available on the website of: www.athora.nl.

Interest Material to the Offer

Save for the commissions and any fees payable to the Joint Lead Managers, no person involved in the issue of the Notes has an interest, including conflicting ones, material to the offer.

Website

This Offering Memorandum as well as the documents listed in the chapter "*Documents incorporated by reference*" and under the heading "*Documents Available for Inspection*" above are available on Athora Netherlands' website at www.athora.nl under the heading "*investors*". Information on Athora Netherlands' website or any other website referred to in this Offering Memorandum does not form part of this Offering Memorandum and may not be relied upon in connection with any decision to invest in the Notes.

Auditors

Ernst & Young Accountants LLP (**EY**) independent auditors, have audited, and rendered unqualified audit reports on Athora Netherlands' financial statements for the financial years ended 31 December 2019 and 31 December 2020.

EY has given, and has not withdrawn, its written consent to the inclusion of its reports and the references to itself herein in the form and context in which it is included. EY has no interest in Athora Netherlands or the Athora Netherlands Group.

The auditors who sign on behalf of EY are members of the Royal Netherlands Institute of Chartered Accountants (*Koninklijke Nederlandse Beroepsorganisatie van Accountants*). The business address of EY is Cross Towers, Antonio Vivaldistraat 150, 1083 HP Amsterdam, The Netherlands.

Ratings

At the date of this Offering Memorandum, Athora Netherlands has a BBB (stable) issuer default rating from Fitch. The Notes are expected to be assigned, on issue, a rating of BB by Fitch.

REGISTERED OFFICES OF

ISSUER

Athora Netherlands N.V.
Burgemeester Rijnderslaan 7
1185 MD Amstelveen
The Netherlands

LISTING AGENT

Walkers Listing Services Limited
5th Floor, The Exchange
George's Dock, IFSC
Dublin 1, D01 W3P9
Ireland

CALCULATION AGENT

HSBC Bank plc
8 Canada Square
London
E14 5HQ
United Kingdom

FISCAL AGENT

HSBC Bank plc
8 Canada Square
London
E14 5HQ United Kingdom

LEGAL ADVISERS

To Athora Netherlands
Allen & Overy LLP
Apollolaan 15
1077 AB Amsterdam
The Netherlands

To the Joint Lead Managers
Linklaters LLP
WTC Amsterdam
Zuidplein 180
1077 XV Amsterdam
The Netherlands

AUDITORS

Ernst & Young Accountants LLP
Cross Towers
Antonio Vivaldistraat 150
1083 HP Amsterdam
The Netherlands

JOINT LEAD MANAGERS

Barclays Bank Ireland PLC
One Molesworth Street
Dublin 2
D02 RF29
Ireland

HSBC Continental Europe
38, avenue Kléber
75116 Paris
France

NatWest Markets N.V.
Claude Debussylaan 94
1082 MD Amsterdam
The Netherlands